



SACHI A. HAMAI  
Interim Chief Executive Officer

County of Los Angeles  
**CHIEF EXECUTIVE OFFICE**

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
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<http://ceo.lacounty.gov>

*"To Enrich Lives Through Effective And Caring Service"*

Board of Supervisors  
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Fifth District

April 14, 2015

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**ADOPTED**

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

18 April 14, 2015

  
PATRICK OGAWA  
ACTING EXECUTIVE OFFICER

**THREE FIVE-YEAR LEASES  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES,  
DEPARTMENT OF MENTAL HEALTH, DEPARTMENT OF PUBLIC HEALTH  
12440 EAST IMPERIAL HIGHWAY, NORWALK  
(FOURTH DISTRICT)  
(3 VOTES)**

**SUBJECT**

Three, five-year leases for approximately 10,838, 17,847, and 40,795 square feet of office space and 277 on-site parking spaces.

**IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed leases are categorically exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors, per Section 15301 of the State of California Environmental Quality Act Guidelines (Existing Facilities).
2. Approve and instruct the Mayor to sign the lease agreements with Sonnenblick Del Rio Norwalk, LLC, and Norwalk SEC, LLC for an aggregate of 69,480 rentable square feet of office space at 12440 East Imperial Highway, Norwalk to be occupied by the Departments of Children and Family Services, Mental Health, and Public Health. The initial aggregate maximum annual lease costs are \$1,533,227. The lease costs for the Department of Children and Family Services are approximately 69 percent funded by State and federal funds and the remaining 31 percent is net County cost. The lease costs for the Department of Mental Health are approximately 100 percent funded by State Mental Health Services Act funds. The lease costs for the Department of Public Health are approximately 45 percent funded by State funds and 55 percent by public health fees.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of this recommended action is to provide continuous, uninterrupted occupancy for the Department of Children and Family Services (DCFS), Department of Mental Health (DMH), and Department of Public Health (DPH). The current lease expired on March 31, 2013, and the tenant departments have expressed a desire to extend the lease. The proposed lease renewal entails retaining the original premises of 69,480 square feet and 277 on-site parking spaces.

Since April 2003, the tenant departments have housed various programs at the subject building as part of one lease agreement. Dividing the lease into three separate lease agreements is more appropriate from a lease administration, accounting, and exit strategy perspective. DCFS has housed its Bureau of Information Services; Child Care; and Training, Education, and Mentoring functions and programs within 40,795 square feet at the subject building. DMH has housed its Emergency Outreach Access Center within 10,838 square feet at the subject building. DPH has housed its Environmental Health and Health Facilities programs within 17,847 square feet at the subject building.

DCFS' Bureau of Information Services provides information technology support for the entire department, and has 115 employees at this facility. DCFS' Child Care program assists field staff with helping clients secure child care services, and has 12 employees at this facility. DCFS' Training, Education and Mentoring functions is tasked with facilitating training programs for employees within the department, and has 67 employees at this facility. DMH's Emergency Outreach Access Center is a 24/7 crisis intervention operation that accepts toll free phone calls from patients, medical providers, and emergency responders, and has 100 employees at this facility. DPH's Environmental Health program conducts surveillance and enforcement services for both retail and wholesale food facilities, as well as multi-family dwellings and performs public health complaint investigations. The Health Facilities Inspection Division conducts inspections, certifications, and licensing of health care facilities, and performs healthcare complaint investigations. The two public health programs have 70 employees at this facility.

## **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan Goal of Operational Effectiveness/Fiscal Sustainability (Goal1) directs that we maximize the effectiveness of processes, structure, operations, and strong fiscal management to support timely delivery of customer-oriented and efficient public services, and the Goal of Integrated Services Delivery (Goal 3) directs that we maximize opportunities to measurably improve client and community outcomes and leverage resources through the continuous integration of health, community, and public safety services. In this case, the County is supporting these goals by providing continuity of operations and uninterrupted occupancy of suitable office space, which allows staff to provide efficient public services. The proposed new leases are in conformance with the Asset Management Principles as outlined in Attachment A.

## **FISCAL IMPACT/FINANCING**

The proposed leases will be comprised of an initial annual base rent of \$1,533,227, i.e., \$1.75 per square foot per month, plus the monthly reimbursement of utility expenses. Parking is included in the rental rate and is provided in the on-site parking lot. Attachment B is an overview of the lease costs.

Sufficient funding for the proposed lease will be included in the Fiscal Year (FY) 2015-16 Rent Expense budget and will be charged back to the departments. DCFS, DMH, and DPH will have sufficient funding in their FY 2015-16 operating budgets to cover the projected lease costs. The lease costs for DCFS are approximately 69 percent funded by State and federal funds and the remaining 31 percent is net County cost. The lease costs for DMH are approximately 100 percent funded by State Mental Health Services Act funds. The lease costs for DPH are approximately 45 percent funded by State funds and 55 percent by public health fees.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The leases include the following provisions:

- The leases will be effective upon adoption by the Board of Supervisors and the five-year lease term and rent will commence on May 1, 2015.
- A modified-gross lease basis whereby the Landlord will be responsible for the operational costs of the facility, except utilities.
- A cancellation provision allowing the departments to cancel any time after 4 years with 90 days prior written notice. A portion of the DPH space is cancellable after one year with 90 days prior written notice.
- Annual rental rate adjustments based upon the Consumer Price Index (CPI) capped at 3 percent per annum.
- The Landlord will provide a non-reimbursable Tenant Improvement (TI) allowance for paint and/or carpet, as well as the build-out of 4,000 square feet of training room space for DCFS. The allowance for DCFS is \$343,975. The allowance for DMH is \$54,190. The allowance for DPH is \$54,235.

The Chief Executive Office (CEO) Real Estate Division staff conducted a survey within the service area to determine the availability of comparable and more economical sites. Staff was unable to identify any sites in the surveyed area that could accommodate this requirement more economically, nor are there any County-owned or leased facilities available for this program. Based upon the survey, staff has established that the annual rental range for similar space is between \$19.20 and \$22.20 per square foot on a full service basis, including parking. Thus, the proposed annual rental rate of \$21 per square foot per year for the proposed leases, including parking, represents a rate within the market range for the area. Attachment C shows County-owned or leased facilities in the proximity of the service area, and there are no suitable County-owned or leased facilities available for the program.

The Department of Public Works has inspected this facility and found it suitable for the County's occupancy. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.

A childcare facility is not feasible for the departments at this time for the proposed leased premises.

The co-location of DCFS, DMH, and DPH into a centralized and appropriate location is consistent with the County's Facility Location Policy adopted by the Board of Supervisors on July 24, 2012, as outlined in Attachment D.

**ENVIRONMENTAL DOCUMENTATION**

The CEO has concluded that this project is exempt from the California Environmental Quality Act (CEQA) as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

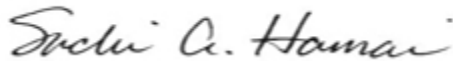
**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The proposed leases will adequately provide the necessary office space for this County requirement. DCFS, DMH, and DPH concur with the proposed recommendation.

**CONCLUSION**

It is requested that the Executive Office, Board of Supervisors, return two originals of the executed leases, two certified copies of the Minute Order and the adopted, stamped Board letter to the CEO, Real Estate Division at 222 South Hill Street, 4th Floor, Los Angeles, CA for further processing.

Respectfully submitted,



SACHI A. HAMAI

Interim Chief Executive Officer

SAH:TT:CMM

KW:gw

Enclosures

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
Children and Family Services  
Internal Services  
Mental Health  
Public Health

**DEPARTMENT OF CHILDREN AND FAMILY SERVICES  
DEPARTMENT OF MENTAL HEALTH  
DEPARTMENT OF PUBLIC HEALTH  
12440 EAST IMPERIAL HIGHWAY, NORWALK**

**Asset Management Principles Compliance Form<sup>1</sup>**

<b>1.</b>	<b><u>Occupancy</u></b>		<b>Yes</b>	<b>No</b>	<b>N/A</b>
	A	Does lease consolidate administrative functions? <sup>2</sup>	<b>X</b>		
	B	Does lease co-locate with other functions to better serve clients? <sup>2</sup>	<b>X</b>		
	C	Does this lease centralize business support functions? <sup>2</sup>	<b>X</b>		
	D	Does this lease meet the guideline of 200 sq. ft of space per person? <sup>2</sup> <b>DPH exceeds guideline due to need for client meeting space. DCFS exceeds guideline due to sizeable server room requirements.</b>		<b>X</b>	
	E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? <sup>2</sup>	<b>X</b>		
	F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? <sup>2</sup>	<b>X</b>		
<b>2.</b>	<b><u>Capital</u></b>				
	A	Is it a substantial net County cost (NCC) program?		<b>X</b>	
	B	Is this a long term County program?	<b>X</b>		
	C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?		<b>X</b>	
	D	If no, are there any suitable County-owned facilities available?		<b>X</b>	
	E	If yes, why is lease being recommended over occupancy in County-owned space?			<b>X</b>
	F	Is Building Description Report attached as Attachment C?	<b>X</b>		
	G	Was build-to-suit or capital project considered? <sup>2</sup> <b>Insufficient funds and time to locate and improve an alternate facility, even if one were available.</b>		<b>X</b>	
<b>3.</b>	<b><u>Portfolio Management</u></b>				
	A	Did department utilize CEO Space Request Evaluation (SRE)?	<b>X</b>		
	B	Was the space need justified?	<b>X</b>		
	C	If a renewal lease, was co-location with other County departments considered?	<b>X</b>		
	D	Why was this program not co-located?			<b>X</b>
		1. ____ The program clientele requires a "stand alone" facility.			
		2. ____ No suitable County occupied properties in project area.			
		3. ____ No County-owned facilities available for the project.			
		4. ____ Could not get City clearance or approval.			
		5. <u><b>X</b></u> The Program is being co-located.			
	E	Is lease a full service lease? <sup>2</sup> <b>The Landlord would not agree to cover utility expenses.</b>		<b>X</b>	
	F	Has growth projection been considered in space request?	<b>X</b>		
	G	Has the Dept. of Public Works completed seismic review/approval?	<b>X</b>		
<sup>1</sup> As approved by the Board of Supervisors 11/17/98					
<sup>2</sup> If not, why not?					

**DEPARTMENT OF CHILDREN AND FAMILY SERVICES  
FISCAL IMPACT/FINANCING - OVERVIEW OF LEASE CHANGES**

<b>12440 East Imperial Highway, Norwalk</b>	<b>Existing Lease</b>	<b>Proposed Lease</b>	<b>Changes</b>
Area	40,795 square feet (sq. ft.)	40,795 square feet (sq. ft.)	None
Term	4/1/2003 to 3/31/2013 Month-to-Month: (3/31/2013-Present)	5/1/15 to 4/30/20	+5 years
Annual Rent	\$845,454 (\$20.72 per sq. ft.)	\$856,695 (\$21.00 per sq. ft.)	+\$11,241 (0.28 per sq. ft.)
Parking (included in Rent)	163 spaces	163 spaces	None
Total Annual Cost	\$845,453.75	\$856,695 (\$21.00 per sq. ft.)	+\$11,241 (0.28 per sq. ft.)
Annual Rent Adjustment	Annual Consumer Price Index (CPI) adjustment with a cap of 3%	Annual CPI adjustment with a cap of 3%	None
Cancellation	Any time after the 5 <sup>th</sup> Year upon 120 days' notice	Any time after the 4 <sup>th</sup> Year upon 90 days' notice	Any time after the 4 <sup>th</sup> Year upon 90 days' notice

**DEPARTMENT OF MENTAL HEALTH  
FISCAL IMPACT/FINANCING - OVERVIEW OF LEASE CHANGES**

<b>12440 East Imperial Highway, Norwalk</b>	<b>Existing Lease</b>	<b>Proposed Lease</b>	<b>Changes</b>
Area	10,838 square feet (sq. ft.)	10,838 square feet (sq. ft.)	None
Term	4/1/2003 to 3/31/2013 Month-to-Month: (3/31/2013-Present)	5/1/15 to 4/30/20	+5 years
Annual Rent	\$224,616 (\$20.72 per sq. ft.)	\$227,598 (\$21.00 per sq. ft.)	+\$2,982 (\$0.28 per sq. ft.)
Parking (included in Rent)	43 spaces	43 spaces	None
Total Annual Cost	\$224,616.24	\$227,598 (\$21.00 per sq. ft.)	+\$2,982 (\$0.28 per sq. ft.)
Annual Rent Adjustment	Annual Consumer Price Index (CPI) adjustment with a cap of 3%	Annual CPI adjustment with a cap of 3%	None
Cancellation	Any time after the 5 <sup>th</sup> Year upon 120 days' notice	Any time after the 4 <sup>th</sup> Year upon 90 days' notice	Any time after the 4 <sup>th</sup> Year upon 90 days' notice

**DEPARTMENT OF PUBLIC HEALTH  
FISCAL IMPACT/FINANCING - OVERVIEW OF LEASE CHANGES**

<b>12440 East Imperial Highway, Norwalk</b>	<b>Existing Lease</b>	<b>Proposed Lease</b>	<b>Changes</b>
Area	17,847 square feet (sq. ft.)	17,847 square feet (sq. ft.)	None
Term	4/1/2003 to 3/31/2013 Month-to-Month: (3/31/2013-Present)	5/1/15 to 4/30/20	+5 years
Annual Rent	\$369,869 (\$20.72 per sq. ft.)	\$374,787 (\$21.00 per sq. ft.)	+\$4,918 (\$0.28 per sq. ft.)
Parking (included in Rent)	71 spaces	71 spaces	None
Total Annual Cost	\$369,869 (\$20.72 per sq. ft.)	\$374,787 (\$21.00 per sq. ft.)	+\$4,918 (\$0.28 per sq. ft.)
Annual Rent Adjustment	Annual Consumer Price Index (CPI) adjustment with a cap of 3%	Annual CPI adjustment with a cap of 3%	None
Cancellation	Any time after the 5 <sup>th</sup> Year upon 120 days' notice	Any time after the 4 <sup>th</sup> Year upon 90 days' notice	Any time after the 4 <sup>th</sup> Year upon 90 days' notice

## ATTACHMENT C

### DEPARTMENT OF CHILDREN AND FAMILY SERVICES DEPARTMENT OF MENTAL HEALTH DEPARTMENT OF PUBLIC HEALTH 12440 EAST IMPERIAL HIGHWAY, NORWALK SPACE SEARCH - FIVE MILE RADIUS

LACO	Facility Name	Address	Bldg Use	Ownership	Tb Page	Tb Grid	Gross SQFT	Net SQFT	Vacant SQFT
X168	HARRY HUFFORD REGISTRAR-RECORDER/CO CLERK BLD	12400 E IMPERIAL HWY, NORWALK 90650	OFFICE	FINANCED	736	J1	262,510	240,600	NONE
A022	DMH/ALT PUB DEFENDER-NORWALK OFFICE	12440 FIRESTONE BLVD, NORWALK 90650	OFFICE	LEASED	736	J2	6,525	6,096	NONE
A068	NORWALK GOVERNMENT CENTER (AKA BECHTEL BLDG)	12440 E IMPERIAL HWY, NORWALK 90650	OFFICE	LEASED	736	J1	216,324	197,823	NONE
A553	DMH-GOVERNMENT CENTER BLDG	12440 E IMPERIAL HWY, NORWALK 90650	OFFICE	LEASED	736	J1	10,838	9,754	NONE
5685	NORWALK COURTHOUSE	12720 NORWALK BLVD, NORWALK 90650	COURT	OWNED	736	J1	225,008	137,779	NONE
D221	DPSS-NORWALK WS DISTRICT OFFICE	12727 NORWALK BLVD, NORWALK 90650	OFFICE	LEASED	736	J1	40,500	30,928	NONE
5368	PUBLIC LIBRARY-NORWALK LIBRARY	12350 IMPERIAL HWY, NORWALK 90650	LIBRARY	OWNED	736	J1	33,749	27,529	NONE
D210	PUBLIC LIBRARY-ALONDRA LIBRARY	11949 E ALONDRA BLVD, NORWALK 90650	LIBRARY	PERMIT	736	H5	6,000	5,061	NONE
A358	DPSS-COMPUTER SERVICES/ LEADER PROGRAM OFFICE	14714 CARMENITA RD, NORWALK 90650	OFFICE	LEASED	737	C3	44,250	42,038	NONE
6367	PW SEWER-CENTRAL YARD OFFICE	12015 SHOEMAKER AVE, SANTA FE SPRINGS 90670	OFFICE	OWNED	707	B7	950	903	NONE
A355	DCFS-SANTA FE SPRINGS (SPA 7)	10355 SLUSHER DR, SANTA FE SPRINGS 90670	OFFICE	LEASED	706	H4	65,568	50,633	NONE
A566	SHERIFF - SO CAL HIGH TECH TASK FORCE	9900 NORWALK BLVD, SANTA FE SPRINGS 90670	OFFICE	LEASED	706	J4	22,880	21,736	NONE
A402	PW-INC CITY OFFICE (CERRITOS)	18125 S BLOOMFIELD AVE, CERRITOS 90703	OFFICE	GRATIS USE	767	A1	0	0	NONE
A176	HEALTH SERVICES-EMS	10100 PIONEER BLVD, SANTA FE SPRINGS 90670	OFFICE	LEASED	706	H4	41,720	39,634	NONE
D812	PW-INC CITY OFFICE (SANTA FE SPRINGS)	11710 TELEGRAPH RD, SANTA FE SPRINGS 90670	OFFICE	GRATIS USE	706	G4	0	0	NONE
A758	EDUCATION-DOWNEY EDUCATION CTR EAST(AB109)	9525 E IMPERIAL HWY, DOWNEY 90242	OFFICE	LEASED	736	C1	6,660	6,327	NONE
A126	DA-CRIMINAL JUSTICE INFORMATION SYSTEM/ ISAB	12750 CENTER COURT DR, CERRITOS 90703	OFFICE	LEASED	767	A1	20,187	19,044	NONE
A511	DCFS-SOUTH WHITTIER COMMUNITY RESOURCE CENTER	10750 LAUREL AVE, WHITTIER 90605	OFFICE	GRATIS USE	707	B5	150	150	NONE
A066	PW-INC CITY OFFICE (ARTESIA)	18747 S CLARKDALE AVE, ARTESIA 90701	OFFICE	GRATIS USE	766	H2	0	0	NONE
A080	PUBLIC LIBRARY-ARTESIA LIBRARY	18722 S CLARKDALE AVE, ARTESIA 90701	LIBRARY	LEASED	766	H2	5,150	4,752	NONE
E485	PUBLIC LIBRARY-SOUTH WHITTIER LIBRARY	14433 LEFFINGWELL RD, WHITTIER 90604-2966	LIBRARY	OWNED	707	E7	7,062	6,709	NONE
6059	DOWNEY ADMIN CTR-ADMINISTRATIVE CENTER BLDG	9150 E IMPERIAL HWY, DOWNEY 90242	OFFICE	OWNED	736	B1	328,171	249,603	NONE
A279	DPW-SOUTH WHITTIER DISTRICT/SHERIFF'S SUB-STN	13523 TELEGRAPH RD, SOUTH WHITTIER 90605	OFFICE	LEASED	707	C5	3,162	2,981	NONE
0092	PW ROAD-DIV #146 SUBYARD OFFICE	13671 TELEGRAPH RD, SOUTH WHITTIER 90604	OFFICE	OWNED	707	E7	576	518	NONE
Y531	STAR CENTER-ADMINISTRATION BUILDING	11515 S COLIMA RD, WHITTIER 90604	OFFICE	FINANCED	707	E6	8,884	5,780	NONE
Y533	STAR CENTER-ACADEMY BUILDING C	11515 S COLIMA RD, WHITTIER 90604	OFFICE	FINANCED	707	E6	15,578	8,104	NONE
Y534	STAR CENTER-ACADEMY BUILDING D	11515 S COLIMA RD, WHITTIER 90604	OFFICE	FINANCED	707	E6	16,551	10,983	NONE
Y535	STAR CENTER-ACADEMY BUILDING E	11515 S COLIMA RD, WHITTIER 90604	OFFICE	FINANCED	707	E6	19,984	12,864	NONE
Y542	STAR CENTER-ACADEMY BUILDING M	11515 S COLIMA RD, WHITTIER 90604	OFFICE	FINANCED	707	E6	9,097	7,847	NONE
6418	PUBLIC LIBRARY-LA MIRADA LIBRARY	13800 LA MIRADA BLVD, LA MIRADA 90638	LIBRARY	OWNED	737	G2	15,704	13,061	NONE
B632	PW-INC CITY OFFICE (LA MIRADA)	13700 LA MIRADA BLVD, LA MIRADA 90638	OFFICE	GRATIS USE	737	G2	112	102	NONE
6335	PROBATION-RIO HONDO AREA OFFICE	8240 S BROADWAY AVE, WHITTIER 90606	OFFICE	OWNED	706	J1	19,997	12,942	NONE
Y300	PUB LIB-LOS NIETOS LIBRARY	11640 E SLAUSON AVE, WHITTIER 90606	SERVICE CENTER	OWNED	706	J1	16,374	15,877	NONE
0005	BELLFLOWER COURTHOUSE	10025 E FLOWER ST, BELLFLOWER 90706	COURT	OWNED	736	C6	110,287	45,966	NONE
6445	APD - LEGAL DEFENSE	9928 E FLOWER ST, BELLFLOWER 90706	OFFICE	LEASED	736	C6	900	855	NONE
4401	DHS-BELLFLOWER HEALTH CENTER	10005 E FLOWER ST, BELLFLOWER 90706	HEALTH CENTER	OWNED	736	C6	15,524	9,053	NONE
6444	PUBLIC LIBRARY-CLIFTON M BRAKENSIEK LIBRARY	9945 E FLOWER ST, BELLFLOWER 90706	LIBRARY	OWNED	736	C6	20,160	17,078	NONE
A647	LACO FIRE DEPT-HEALTH HAZARDOUS MATERIALS OFF	9155 TELEGRAPH RD, PICO RIVERA 90660	OFFICE	LEASED	706	E2	2,400	2,280	NONE

**FACILITY LOCATION POLICY ANALYSIS**

**Proposed Lease:** Three Five Year Leases for the Department of Children and Family Services, Department of Mental Health and Department of Public Health – 12440 East Imperial Highway, Norwalk – 4<sup>th</sup> District – Option to cancel after 4 years.

**A. Establish Service Function Category** – Regional and local public service function.

**B. Determination of the Service Area** –The proposed lease will provide the uninterrupted use of 69,480 square feet of office space for DCFS's Bureau of Information Services, Child Care and Training, Education and Mentoring programs; DMH's Emergency Outreach Access Center; and DPH's Environmental Health and Health Facilities programs.

**C. Apply Location Selection Criteria to Service Area Data**

- Need for proximity to service area and population:

DPH's EH programs need to be near the service area of Norwalk, Whittier, Santa Fe Springs and La Mirada.

- Need for proximity to existing County facilities:

All three departments prefer to be centrally located for staff coming to the site from various areas of the county.

- Need for proximity to Los Angeles Civic Center: N/A

- Economic Development Potential: The proposed leases will provide continuity of operations and uninterrupted occupancy of suitable office space, which will minimize costs compared to relocation options.

- Proximity to public transportation: The proposed facility is near public transportation.

- Availability of affordable housing for County employees: The surrounding area provides for affordable rental opportunities.

- Use of historic buildings: N/A

- Availability and compatibility of existing buildings: There are no existing County buildings available to meet the Departments' service needs.
- Compatibility with local land use plans: The site is currently zoned commercial and the current use as office space is consistent with the building's use, zoning and not in conflict with the goals and policies of the City of Norwalk.

Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.

- Estimated acquisition/construction and ongoing operational costs: The initial annual base rent of \$856,695 for DCFS, \$227,598 for DMH, and \$374,787 for DPH comprise the total annual rent costs for the facility. Sufficient funds for the proposed lease costs will be available and will be included in the Fiscal Year 2015-16 Rent Expense budgets and will be charged back to the departments.

#### **D. Analyze results and identify location alternatives**

Location alternatives were not identified due to cost concerns and the department's desire to renew the lease and remain centrally located.

#### **E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost, and other Location Selection Criteria**

N/A

**COUNTY OF LOS ANGELES**  
**CHIEF EXECUTIVE OFFICE**  
**LEASE AGREEMENT**

**DEPARTMENT: Children and Family Services, as Tenant**

**LANDLORD: Sonnenblick-Del Rio Norwalk, LLC, a Delaware Limited Liability  
Company**

**[12440 East Imperial Highway, Suite 500, Norwalk, CA 90650]**

78359

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COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE  
LEASE AGREEMENT

THIS LEASE is entered into as of the 14th day of April, 2015, between SONNENBLICK-DEL RIO NORWALK, LLC, a Delaware limited liability company, and NORWALK SEC, LLC, a Delaware limited liability company, on the one hand, (collectively "Landlord"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant" or "County").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION The following terms shall have the meanings provided in this Section 1, unless otherwise specifically modified by provisions of this Lease.

1.1 Defined Terms Relating to the Lease:

(a) Landlord's Address for Notice: Sonnenblick Del Rio Norwalk, LLC  
Norwalk Government Center  
12440 East Imperial Highway, Suite 101  
Norwalk, CA 90650  
Attention: Melissa Garcia, Property Manager

With a copy to:

Norwalk SEC, LLC  
350 North LaSalle Street, Suite 800  
Chicago, Illinois 60654  
Attention: Rene Ristau

(b) Tenant's Address for Notice: Board of Supervisors  
Kenneth Hahn Hall of Administration,  
Room 383  
500 West Temple Street  
Los Angeles, California 90012

With a copy to:

Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

- (c) Premises: Approximately 40,795 rentable square feet in the Building (defined below) as shown on Exhibit A attached hereto and commonly referred to as Suite 500.
- (d) Building: The building located at 12440 East Imperial Highway, Norwalk, CA 90650, which is currently assessed by the County Assessor as APN 8047-006-004 (the "Property").
- (e) Term: Five (5) years commencing on May 1, 2015 (the "Commencement Date") and terminating at midnight on April 30, 2020 (the "Termination Date"), subject to earlier termination as provided herein. The word "Term" and the phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Option Term for which an option has been validly exercised.
- (f) Irrevocable Offer Expiration Date: April 30, 2015
- (g) Base Rent: \$71,391.25 per month (which is based upon a rental rate of \$1.75 per rentable square foot (adjustable only as provided in Sections 2(b) and 5 hereof.)
- (h) Early Termination Date: Upon the fourth (4<sup>th</sup>) anniversary of the Commencement Date or any time thereafter.
- (i) Rentable Square Feet in the Premises: 40,795
- (j) Use: General office use or for any other lawful purposes not incompatible with other uses in the Building.
- (k) Initial Departmental Use: Children and Family Services
- (l) Parking Spaces: 163
- (m) Normal Working Hours: 7:00 a.m. to 7:00 p.m., Monday through Friday, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor

Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed) and such other holidays as are generally recognized by the County of Los Angeles, California.

1.2 Exhibits to Lease:

Exhibit A–Floor Plan  
Exhibit B–Cleaning Schedule  
Exhibit C–Tenant Estoppel Certificate  
Exhibit D–Subordination, Non-disturbance and  
Attornment Agreement  
Exhibit E–Nondisturbance Agreement  
Exhibit F–Request for Notice  
Exhibit G–Community Business Enterprises  
Form

2. PREMISES. Landlord leases to Tenant, and Tenant leases from Landlord, upon the terms and conditions set forth, the Premises described in Section 1 and Exhibit A attached hereto.

3. COMMON AREAS. Tenant may use the following areas ("Common Areas") in common with Landlord and other tenants of the Building: the entrances, lobbies and other public areas of the Building, walkways, landscaped areas, driveways necessary for access to the Premises, parking areas and other common facilities designated by Landlord from time to time for common use of all tenants of the Building. Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Areas established by Landlord.

4. COMMENCEMENT AND EXPIRATION DATES.

(a) Term. The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date in Section 1.1(e).

(b) Early Termination. Tenant may terminate this Lease after the Early Termination Notice Date, as defined in Section 1, by giving Landlord not less than ninety (90) days prior written notice executed by the Chief Executive Officer of Tenant or its delegee ("Chief Executive Officer").

5. RENT.

(a) Base Rent. Tenant shall pay Landlord the Base Rent stated in Section 1.1(h) during the Term hereof within 15 days after a claim therefor for each such month has been filed by Landlord with the Auditor of the County of Los Angeles (the "County") prior to the first day of each month. Base Rent for any partial month shall be prorated in proportion to the number of days in such month.

(b) Annual Rent Adjustment. On the first day of May of each calendar year during the Term (the "Adjustment Date"), Base Rent shall be adjusted by applying the CPI Formula set forth below.

(c) CPI Formula. The "Basic Index" means the Consumer Price Index for all Urban Consumers for the Los Angeles-Riverside-Orange County area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100) published for April 2015. The "CPI Formula" means Base Rent for the month prior to the Adjustment Date multiplied by a fraction, the numerator being the Basic Index published for the month immediately prior to the Adjustment Date ("New Index"), and the denominator being the Basic Index published for April 2015. If the Basic Index is changed so the Basic Index differs from that used as of the Commencement Date of the Lease, the Basic Index shall be converted under the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Basic Index is discontinued or revised during the Term, such other governmental Index or computation with which it is replaced shall be used to obtain substantially the same results as would be obtained if the Basic Index had not been discontinued or revised. Illustration of Formula. The formula for determining the new rent shall be:

$$\begin{aligned} & \frac{\text{New Index}}{\text{[Basic Index]}} \times \$71,391.25 \text{ (Base Rent)} \\ & \pm \text{Amount needed to amortize Tenant's Additional Tenant Improvements,} \\ & \quad \text{if any} \\ & \pm \text{Amount needed to amortize change order costs, if any} \\ & = \text{Adjusted Monthly Base Rent} \end{aligned}$$

(d) Limitations on CPI Adjustment. The annual Base Rent adjustment determined under Section 5(c) above shall not exceed three percent (3%) per year of the Base Rent of \$71,391.25 (i.e. not greater than \$2,141.74 per month, per annual adjustment). The monthly rent shall not be adjusted by the CPI Formula to result in a lower monthly Base Rent than was payable during the previous year of the Lease.

6. USES. The Premises are to be used only for the uses set forth in Section 1 and for no other business or purpose; however, Landlord shall not unreasonably withhold its consent to a change of use.

7. HOLDOVER. If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease, such occupancy shall be a month-to-month tenancy at the last monthly Base Rent payable under this Lease (as such Base Rent may be adjusted from time to time in accordance with this Lease) plus all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease. Such month-to-month tenancy shall be terminable upon thirty (30) days written notice from Landlord or from the Chief Executive Officer of Tenant.

8. COMPLIANCE WITH LAW. Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof, regulating the use, occupancy or improvement of the Premises by Tenant. Landlord, not Tenant, shall, at its sole cost, at all times cause the Building and Premises to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the term hereof, including without limitation, Titles II and III of the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises, in which event Tenant shall comply at its sole cost and expense.

9. DAMAGE OR DESTRUCTION.

(a) Damage. If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days, then Landlord shall promptly, at Landlord's expense, repair such damage and this Lease shall continue in full force and effect. If all or any portion of the Premises becomes untenable by reasons of fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but within ten days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the estimated time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again using standard working methods. Failing to do so shall be a material default by Landlord. Base Rent shall abate to the extent that the Premises are unusable by Tenant. Tenant waives California Civil Code Sections 1932(2) and 1933(4) regarding any partial or total destruction of the Premises.

(b) Tenant Termination Right. If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days for any reason, then Tenant may terminate this Lease by giving written notice within ten days after notice from Landlord specifying such time period of repair; and this Lease shall terminate and the Base Rent shall be abated from the date the Premises became untenable. If Tenant does not elect to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises.

(c) Damage In Last Year. Notwithstanding the foregoing provisions, if any material destruction to the Premises occurs during the last year of the Term, either Landlord or Tenant may terminate this Lease by giving written notice to the other not more than 30 days after such destruction, in which case (a) Landlord shall have no obligation to restore the Premises, (b) Landlord may retain all insurance proceeds relating to such destruction, and (c) this Lease shall terminate as of the date 30 days after such written notice of termination.

(d) Default By Landlord. If Landlord must repair and restore the Premises as provided for in this Section and Landlord should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion, Tenant may (a) declare a default, or (b) perform or cause to be performed the restoration work and deduct the cost thereof plus interest thereon at ten percent (10%) per annum, from the Base Rent next due as a charge against the Landlord.

## 10. REPAIRS AND MAINTENANCE

(a) Landlord Representations. Landlord represents to Tenant that, to the best of Landlord's knowledge and belief, (i) the Premises, the Building and all Common Areas, (including electrical, ventilating and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, as applicable, including the Americans With Disabilities Act; and are in reasonable good working order and condition; (ii) the Building and Premises comply with all covenants, conditions, restrictions and insurance underwriter's requirements; (iii) the Premises, Building and Common Areas are free of the presence of any Hazardous Materials (as defined herein); and (iv) Landlord has received no notice from any governmental agency that the Building or the Premises violate any law or regulation. Landlord represents, that, to the best of Landlord's knowledge, the Premises and the Building contain no asbestos containing materials. Landlord shall, prior to Tenant's occupancy, abate, at Landlord's sole cost and expense, all asbestos containing materials other than those incurred by Tenant in the Premises to the extent required by law and provide Tenant with an updated report from a licensed California asbestos contractor to that effect.

(b) Landlord Obligations. Landlord shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed: (i) the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing, stairways, concealed electrical systems and telephone intrabuilding network cable (ii) building standard mechanical (including HVAC), electrical, plumbing and fire/life safety systems serving the Building (iii) the Common Areas; (iv) exterior windows of the Building; and (v) elevators serving the Building. Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Building systems contained within the Premises and, specifically, shall keep the (1) floor covering; (2) interior partition walls; (3) doors; (4) interior side of demising walls; and (5) exit and other building general signage within the Premises in good condition and repair, reasonable wear and tear and damage caused by tenant, its customers, agents, servants or employees excepted.

(c) Tenant Obligations. Without limiting Landlord's Obligations, Tenant shall, at Tenant's sole expense, be responsible for the cost of repairing any area damaged by Tenant or Tenant's agents, employees, invitees and visitors and the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by Tenant, which consent shall not

be unreasonably withheld or delayed; (b) be at least equal in quality, value and utility to the original work or installation; and (c) be in accordance with all laws.

(d) Tenant's Right to Repair. If Tenant provides written notice (or oral notice if an emergency occurs such as damage or destruction to or of any portion of the Building structure and/or the Building systems and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord regarding repair and/or maintenance, and Landlord fails to provide such action within a reasonable period of time, given the circumstances, after giving such notice, but not later than five days after giving such notice, then Tenant may take the required action (provided, however, that no such notice shall be required if an emergency occurs which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to perform the work contemplated by this provision. If Landlord was required to take such action under the terms of this Lease and Landlord took no such action within such period (unless such notice was not required), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum commencing ten (10) days from the time such reimbursement is requested. If not reimbursed by Landlord within ten (10) days, Tenant may deduct from Base Rent payable by Tenant under this Lease the amount in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 14.

11. SERVICES AND UTILITIES. Landlord shall provide the following services and utilities to the Premises, at its sole cost and expense, unless prevented from doing so by act of God or third parties:

(a) Heating, Ventilation and Air Conditioning. Landlord shall furnish Building ventilation and air conditioning ("HVAC"), during Normal Working Hours in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other first-class buildings. Tenant acknowledges that heat is not provided in the Building. Tenant may, through an authorized agent, request after hours HVAC services provided Tenant reimburses Landlord for the cost of additional HVAC services at the rate of \$85 per hour.

(b) Utilities. Landlord shall furnish metered electricity to the Premises, subject to reimbursement by Tenant monthly and within ten days of being billed for such usage as metered. The amount of electric current provided shall include that amount required for current electricity needs within the Premises as well as any additional electricity required by the Working Drawing for power, lighting and electric current for HVAC. Landlord agrees to pay when due all charges of the sewer, effluent treatment, water, sprinkler, gas and other lighting, and power and other utility rents and charges accruing or payable in connection to the Premises during the term of the Lease or any renewal extension, or holdover thereof, whether the same are pro-rated or measured by separate meters, and reimbursed by Tenant monthly and within ten days of being billed for such usage.

(c) Elevators. Landlord shall furnish freight and passenger elevator services to the Premises during Normal Working Hours. During all other hours, Landlord shall furnish passenger elevator cab service in the elevator bank serving the Premises on an as needed basis, and, by prior arrangement with Landlord's building manager, freight elevator service.

(d) Water. Landlord shall make available water for normal lavatory and potable water meeting all applicable governmental standards for drinking purposes in the Premises.

(e) Janitorial. Landlord shall provide janitorial service on five nights per week generally consistent with that furnished in comparable office buildings in the County of Los Angeles, but not less than the services set forth in the specifications set forth in Exhibit B attached hereto.

(f) Access. Landlord shall furnish to Tenant's employees and agents access to the Building, Premises, and Common Areas on a seven day per week, 24 hour per day basis, subject to (i) compliance with such reasonable security measures as shall from time to time be in effect for the Building; and (ii) to the extent the County Chief Executive Officer or its designee requests after-hours access cards for Tenant's employees and agents in a number approved by the County Chief Executive Officer at the rate of Ten Dollars (\$10.00) per access card.

12. LANDLORD ACCESS. Tenant shall permit Landlord and its agents to enter the Premises upon prior written notice to inspect the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Building or Premises, Base Rent shall be prorated based upon the percentage of the Premises or Building rendered untenable and not used by Tenant. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency.

### 13. TENANT DEFAULT

(a) Default. The occurrence of any one or more of the following events (a "Tenant Default") shall constitute a material default and breach of this Lease by Tenant:

(i) The failure by Tenant to make any payment of Base Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder), as and when due and if the failure continues for a period of ten days after written notice to Tenant;

(ii) The failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of 30 days after written notice from Landlord specifying in detail the nature of the Tenant Default; provided, however, if more than 30 days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

(b) Termination. Tenant agrees that if a Tenant Default should occur and should not be cured within the time periods set forth above, it shall be lawful for Landlord to terminate this Lease upon the giving of written notice to Tenant. In addition thereto, Landlord shall have such other rights or remedies as may be provided by law.

(c) No Effect on Indemnity. Nothing in this Section 13 shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

#### 14. LANDLORD DEFAULT

(a) Default and Remedies. In addition to the provisions for Landlord's default provided by Sections 9(d), 10(b), 19 and 20(b), Landlord shall be in default ("Landlord Default") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within five (5) days after the giving of written notice with respect thereto by Tenant in the event of a monetary default, or within thirty (30) days in the event of a non-monetary default (which notice shall be, if appropriate, the same notice given under Section 10(d)); provided, however, that if the nature of the Landlord Default is such that the same cannot reasonably be cured within such notice period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure periods, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein: (i) to remedy such default or breach and deduct the costs thereof (including but not limited to attorneys' fees) plus interest at the rate of ten percent (10%) per annum from the installments of Base Rent next falling due; (ii) to pursue the remedy of specific performance; (iii) to seek money damages for loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Base Rent next coming due; and/or (iv) to terminate this Lease.

(b) Waiver. Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction, or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

(c) Emergency. Notwithstanding the foregoing cure period, Tenant may cure any default without notice where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition or materially and adversely affect the operation of Tenant's business in the Premises.

15. ASSIGNMENT AND SUBLETTING. Tenant has the right to assign this Lease or sublease the Premises to another government agency, contractor or sub-

contractor of the Tenant or any other government agency without Landlord's prior written consent so long as the intended use is consistent and compatible with the other tenancies within the Building and upon the condition that the assignee or sublessee expressly assumes and agrees in writing to pay the rent and to perform each and every covenant and agreement in this Lease required by Tenant to be paid or to be performed. Tenant shall notify Landlord of any change in tenancy. Additionally, Tenant shall have the right to assign the Lease or sublease the Premises to a private party provided Landlord's written consent to such assignment or sublease is first obtained. Landlord's consent shall not be unreasonably withheld. If Landlord does not respond to Tenant's request for assignment or subletting within thirty (30) days from the date of the request, the request shall be deemed approved.

#### 16. ALTERATIONS AND ADDITIONS

(a) Landlord Consent. Tenant shall make no structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. However, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria: (1) complies with all Laws; (2) is not visible from the exterior of the Premises or Building; (3) will not materially affect the systems or structure of the Building; and (4) does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building. If Landlord fails to respond in writing within 30 days of such request, Landlord shall be deemed to approve the Alterations.

(b) End of Term. Any Alterations, fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture) shall be removed by Tenant at the end of the Term. Any Alterations, fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture) not removed by Tenant at the end of the Term shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Term.

#### 17. CONDEMNATION

(a) Controlling Terms. If during the Term, or during the time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section shall determine the rights and obligations of Tenant and Landlord. "Condemnation" shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a Condemnor (as defined below) or a voluntary sale or transfer by Landlord to any Condemnor, either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for exercising such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

(b) Total Taking. If the entire Premises are taken by Condemnation, this Lease shall terminate on the date the Condemnor has a right to possession of the Premises (the "Date of Taking").

(c) Partial Taking. If any portion, but not all, of the Premises is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving written notice to Landlord within thirty (30) days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than thirty (30) days nor later than ninety (90) days after Tenant has notified Landlord of its election to terminate; except this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within 30 days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated.

(d) Restoration. Notwithstanding Section 17(c), if, within thirty (30) days after the Determination Date, Landlord notifies Tenant that Landlord at its cost will add to the remaining Premises so the area of the Premises and the space available for parking, will be substantially the same after the Date of Taking as they were before the Date of Taking, and Landlord commences the restoration promptly and, subject to reasonable allowance for delays not caused by Landlord, completes it within 90 days after Landlord so notifies Tenant, this Lease shall continue in effect. All obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated or reduced during the period from the Date of Taking until completing such restoration.

(e) Award. All compensation, sums or anything of value awarded, paid, or received by Landlord or Tenant on a total or partial Condemnation of the Premises shall be divided between Landlord and Tenant as their respective interests may appear.

(f) Waiver of Statute. Landlord and Tenant waive the provision of California Code of Civil Procedure Section 1265.130 allowing Landlord or Tenant to petition the superior court to terminate this Lease in the event of a partial taking of the Premises.

## 18. INDEMNIFICATION

(a) Tenant's Indemnity. Tenant shall indemnify, defend and hold Landlord harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises because of any negligent act, omission or willful misconduct of Tenant or its contractors, licensees, agents, employees, guests, or visitors, or arising from

any breach or default under this Lease by Tenant. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability, or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees or invitees. Nothing in this Lease shall waive, limit, or supersede any of Tenant's rights or immunities under the California Labor Code, including but not limited to a waiver pursuant to Labor Code section 3864.

(b) Landlord's Indemnity. Landlord shall indemnify, defend and hold Tenant harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, in or about the Building or Premises because of any negligent act, omission or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests, or visitors, or arising from any breach or default under this Lease by Landlord. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability, or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Tenant, or its contractors, licensees, agents, employees or invitees.

## 19. INSURANCE

(a) Landlord's Insurance. During the term of this Lease, Landlord shall maintain the following insurance:

(i) Commercial property insurance which shall (1) cover damage to Landlord's property, including improvements and betterments, from perils covered by the causes-of-loss special form (ISO form CP 1030 or equivalent), and include ordinance or law coverage (and coverage against acts of terrorism to the extent such coverage is reasonably available and priced at commercially reasonable rates); and (2) be written for full replacement cost of the property, with a deductible of no greater than 5% of the property value. Insurance proceeds shall be payable to Landlord and be utilized for repair and restoration of the Premises or Landlord's property, as determined by the nature of the loss. Failure by Landlord to use any insurance proceeds to timely repair and restore the Building or the Premises, as applicable, shall constitute a material breach of this Lease.

(ii) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than : (1) per occurrence and general aggregate amount of \$5,000,000; (2) products/completed operations aggregate of \$2,000,000; and (3) personal and advertising injury of \$1,000,000, which limits may be attained through umbrella coverage. Tenant shall be named as an additional insured under such policy

(b) Tenant's Insurance. During the term of this Lease, Tenant shall maintain the following insurance:

(i) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than:

(1) Per occurrence and general aggregate amount of \$5,000,000;

(2) Products/completed operations aggregate of \$2,000,000 and

(3) Personal and advertising injury of \$1,000,000.

(ii) Worker's Compensation Insurance in such amount as required by the Labor Code of the State of California, and including Employers' Liability coverage with limits not less than \$1 million for Each Accident or Each Employee Disease.

(iii) Automobile Liability insurance with a limit of liability not less than \$1 million for each accident and including coverage for all "owned", "hired" and "non-owned" vehicles.

(c) Failure by Landlord or Tenant to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease shall constitute a material breach of this Lease. Tenant, at its sole option, may satisfy all or any part of this insurance requirement through use of a program of self-insurance (self-funding of its liabilities). Certificate evidencing coverage or letter evidencing self-funding will be provided to Landlord within five (5) days of the execution of this Lease.

(d) Insurance Requirements. All insurance policies required to be maintained by Landlord or Tenant under this Lease shall be issued by insurance companies which have a Best's Rating of "AVII" or better and which are qualified to do business in the State of California. All policies of Landlord specified in 19(a) above shall be written as primary policies, not contributing with, and not in excess of, coverage which Tenant may carry.

(e) Certificates.

(i) Landlord shall deliver to Tenant on the Commencement Date of this Lease and thereafter at least fifteen (15) days prior to expiration of any insurance required to be carried hereunder, certificates of insurance evidencing the insurance required by Section 19(a) above with limits not less than those specified above. Certificates shall include the address of the Premises and must document that Landlord has named Tenant as an additional insured (or its equivalent) on its general liability insurance policy. Further, all certificates shall expressly provide that no less than thirty (30) days' prior written notice shall be given to Tenant in the event of material change to, expiration or cancellation of the coverages or policies evidenced by the certificates.

(ii) Unless Tenant elects to self-insure under Section 19(c) above, Tenant shall deliver to Landlord on the Commencement Date of this Lease and thereafter at least fifteen (15) days prior to expiration of any insurance required to be carried hereunder, certificates of insurance evidencing the insurance required by Section 19(b) above with limits not less than those specified above. Certificates shall include the

address of the Premises and must document that Tenant has named Landlord as an additional insured (or its equivalent) on its general liability insurance policy, and that Landlord has been named a loss payee on Tenant's commercial property insurance policy, as required. Further, all certificates shall expressly provide that no less than thirty (30) days' prior written notice shall be given to Landlord in the event of material change to, expiration or cancellation of the coverages or policies evidenced by the certificates.

(f) Waiver of Subrogation. Landlord and Tenant each hereby waive their rights of subrogation against one another to the extent a claim is covered by the property insurance policies required to be carried hereunder. Landlord shall cause its insurance carriers to consent to the foregoing waiver of rights of subrogation against Tenant.

## 20. PARKING

(a) Tenant's Rights. Tenant shall have the right to the number of parking stalls in Section 1.1(m) without charge for the Term of this Lease. No tandem parking shall be permitted and Tenant shall have full in/out privileges. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building.

(b) Remedies. Landlord acknowledges that it is a material term of this Lease that Tenant receives all of the Parking Spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever, more than twenty-five percent (25%) of the Parking Spaces required above are not available to Tenant (the "Unavailable Spaces"), (besides the rights given to Tenant under Sections 9, 14 and 17 if casualty or condemnation occurs), Tenant may (a) terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective thirty (30) days thereafter unless Landlord restores such Parking Spaces, or provides alternative parking, within ten (10) days of such notice, in which case such notice will be null and void, or (b) deduct from the Base Rent thereafter accruing an amount each month equal to \$2.33 per parking space per day for each day the Unavailable Parking Spaces remain unavailable.

## 21. ENVIRONMENTAL MATTERS

(a) Hazardous Materials. Tenant shall not cause nor permit, nor allow any of Tenant's employees, agents, customers, visitors, invitees, licensees, contractors, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of under all Environmental Laws. As used, "Hazardous Materials" means any chemical,

substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi-solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or may become listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. "Environmental Laws" means all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

(b) Landlord Indemnity. Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas or other violation of laws relating to Hazardous Materials other than caused by Tenant. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans required by local or state laws or any governmental agency. Landlord shall promptly deliver to Tenant a copy of any notice received from any governmental agency during the Term concerning Hazardous Materials in the Building or the Premises. Landlord's obligations under the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease.

22. ESTOPPEL CERTIFICATES. Tenant shall, within thirty (30) days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Exhibit C attached hereto and incorporated herein by this reference but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or holder of any mortgage upon Landlord's interest in the Premises.

23. TENANT IMPROVEMENTS.

(a) Tenant Improvements. Landlord, within fifteen (15) calendar days of receipt of a duly executed copy of this Lease and County-approved preliminary plans, will commence the bidding process for a licensed California architect. Said architect will

prepare final working drawings and specifications for the proposed build-out of the 4,000 square foot space within the Premises identified as a proposed training room, and as further defined in Exhibit A attached hereto and incorporated herein ("Build-Out Space"). Landlord shall obtain three architecture sealed bids for architectural and engineering services. Landlord and Tenant shall review all architectural sealed bids prior to the award of the contract. The bids shall include an itemized list of all services, including basic design services, design development, construction documents, building permits, construction administration, meeting minutes and reimbursables. The working drawings shall be approved by Tenant within ten (10) days of its receipt thereof and before the working drawings are released to any general contractors and before submission to the City of Norwalk, Building Permits Unit. The architect of record shall issue and coordinate a Request for Proposal (RFP) to engage a general contractor. Architect and Landlord shall obtain three general contractor sealed bids for the construction of the Build Out Space. Landlord and Tenant shall review all general contractor sealed bids prior to the award of the contract. The bids shall include an itemized list of all materials and labor and shall include all additional costs including architectural and engineering fees, permits, reasonable contractor's profit and overhead, and construction management fees.

(b) Base Tenant Improvement Allowance. Landlord shall provide a Base Tenant Improvement Allowance in the maximum sum of Three Hundred Forty-Three Thousand and Nine Hundred Seventy Five Dollars (\$343,975). Of that sum, (i) a maximum of One Hundred Forty Thousand Dollars (\$140,000.00) shall be used for the completion of the Build-Out Space; and (ii) a maximum of Two Hundred Three Thousand Nine Hundred and Seventy-Five Dollars (\$203,975) shall be used for the painting and the installation of flooring materials within the Premises, other than within the Build-Out Space. The installation of paint and flooring materials in the Premises shall be under Tenant's specifications including the lifting and moving of furniture. The build-out of the Build-Out Space shall be pursuant to Tenant's specifications. A portion of the Base Tenant Improvement Allowance shall be used to pay Landlord a construction management fee equal to three percent (3%) of the tenant improvement costs. Tenant shall be responsible for the cost of painting and the installation of flooring materials within the Premises and construction of the Build Out Space (collectively "Tenant Improvements") in excess of the Base Tenant Improvement Allowance.

(c) Compliance with Laws. Construction of the Tenant Improvements shall comply with all applicable laws and regulations and shall be subject to the general inspection of Tenant. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including, but not limited to, all provisions of the Labor Code of the State of California. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly rate in dollars and details pertinent thereto for each craft, classification, or type of workman or mechanic needed for the construction of the Tenant Improvements. Particulars of the current Prevailing Wage Scale, as approved by the Board of Supervisors which are applicable to the Tenant Improvements, are filed with the Clerk of the Board of Supervisors and must be posted at the site. The tenant improvement costs shall not include any costs incurred for asbestos abatement, fire

sprinkler system, or conversion of air conditioning systems to eliminate use of CFC refrigerants that are harmful to the atmosphere. Landlord shall provide a current Asbestos Report for the 4,000 square foot Build-Out Space identified in Exhibit A on the Fifth Floor within twenty calendar (20) days of receipt of a duly executed copy of this Lease, at its sole cost and expense. All such work required shall be performed at the sole cost and expense to Landlord. In the event the Landlord fails to perform any necessary asbestos abatement, Tenant may elect to terminate this Lease upon thirty (30) days' written notice unless Landlord commences such abatement within ten (10) days of such notice, and completes such abatement within a commercially reasonable period, in which case such notice will be null and void, or tenant may elect to perform the abatement work and deduct the abatement costs from its rental payments.

(d) **Construction Management Fee.** Landlord's construction manager shall receive three percent (3%) of the cost of installation of any tenant improvements supervised by such construction manager including, but not limited to, the Tenant Improvements and any other tenant improvements constructed by or on behalf of Tenant as a construction management fee.

(e) **Completion of Tenant Improvements.** The parties mutually agree that the estimated time for completion of the Tenant Improvements is 180 days from the date this Lease is duly executed. The actual time for completion of the Tenant Improvements shall be determined when a contract for construction of the Tenant Improvements is awarded pursuant to Section 23(a) above.

(f) **Permitted Delay in Completion of Tenant Improvements.** Completion of the Tenant Improvements may be delayed by the following. All delay days incurred as a result of such delays shall be added to Landlord's time for completion under Section 23(e) above:

(i) Acts or omissions of Tenant or of any employees or agents of Tenant (including change orders in the work), or

(ii) Any act of God which Landlord could not have reasonably foreseen and provided for, or

(iii) Any strikes, boycotts or like obstructive acts by employees or labor organizations which Landlord cannot overcome with reasonable effort and could not reasonably have foreseen and provided for, or

(iv) Any war or declaration of a state of national emergency, or

(v) The imposition by government action or authority of restrictions upon the procurement of labor or materials necessary for the completion of the building Premises.

(g) **Unpermitted Delays in Completion.** If Landlord fails to complete the tenant improvements within sixty (60) days from the time of completion set forth in Section 23(e) as extended by Section 23(f), if applicable, Tenant may, at its option, upon

thirty (30) days written notice to Landlord, assume the responsibility for providing the tenant improvements itself. If Tenant elects to provide tenant improvements itself, then:

(i) Tenant, its officers, employees, agents, contractors and assignees, shall have access to the Premises at all reasonable times to make the tenant improvements and for any other purposes reasonably related thereto;

(ii) If the unused balance of the Base Tenant Improvement Allowance exceeds Tenant's total expense in completing the tenant improvements, including any financing charges for capital and a reasonable amount for its administrative costs, and including interest at 9% per annum (collectively "Tenant's TI Expense"), Landlord shall tender Tenant's TI Expense to Tenant within thirty (30) days of Landlord's approval of Tenant's TI Expense.

(iii) If the unused balance of the Base Tenant Improvement Allowance is less than Tenant's TI Expense, Landlord shall deliver the unused balance of the Base Tenant Improvement Allowance to Tenant.

24. LIENS. Tenant shall keep its interest in this Lease and the Premises free from any liens arising out of any work performed or materials ordered or obligations incurred by Tenant, and hereby indemnifies and holds Landlord harmless from any liability or loss from any such lien. Landlord shall keep its interest in this Lease and the Premises free from any liens which would impair the interest of Tenant hereunder and hereby indemnifies and holds Tenant harmless from any liability or loss from any such lien.

## 25. SUBORDINATION AND MORTGAGES

(a) Subordination and Non-Disturbance. Tenant agrees, at Landlord's option, to subordinate this Lease to the lien of any mortgages or deeds of trust now or hereafter in force against the Building; provided, however, Tenant's obligation to subordinate this Lease is conditioned upon Tenant receiving a written agreement in the form of Exhibit D attached hereto and incorporated by this reference, and provided further that no such subordination shall affect any option to extend the Term of this Lease, right of first offer to lease additional premises, option to purchase or right of first offer to purchase the Property which may be included in this Lease.

(b) Existing Deeds of Trust. The beneficiary under any existing deed of trust affecting the Building shall provide a written agreement to Tenant in the form of Exhibit E attached hereto and incorporated by this reference within 30 days after the execution of this Lease.

(c) Request for Notice. Landlord acknowledges that Tenant intends to record a Request for Notice regarding any mortgages or deeds of trust affecting the Property in the form of Exhibit F attached hereto and incorporated by this reference.

(d) Notice of Default. If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by

registered mail requesting any such notice regarding this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any notice of default served upon Landlord which could permit Tenant to terminate this Lease and an additional ten (10) days within which to cure such default.

26. SURRENDER OF POSSESSION. Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a "broom-clean" condition. Tenant may (but shall not be required to) remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).

27. SIGNAGE. Tenant shall be permitted to install at the Premises reasonably appropriate signs that conform with all applicable laws and ordinances.

28. QUIET ENJOYMENT. So long as Tenant is not in default, Tenant shall have the right to the quiet and peaceful enjoyment and possession of the Premises and the Common Areas during the Term of this Lease, subject to the terms and conditions of this Lease.

29. GENERAL

(a) Headings. Titles to Sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

(b) Successors and Assigns. All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon the Landlord and Tenant and their respective successors and assigns.

(c) Brokers. Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation.

(d) Entire Agreement. This Lease (and the attached Exhibits) is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in a writing signed by both Landlord and Tenant. The Lease between the parties dated September 4, 2001 and referred to as County Lease No. 73643 is superseded and replaced by this Lease.

(e) Severability. Any provision of this Lease which proves to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

(f) Notices. All notices and communications to any party hereunder shall be in writing and shall be deemed properly given if delivered personally, sent by registered or certified mail, postage prepaid, or by a recognized overnight commercial messenger providing proof of delivery, facsimile (electronically confirmed) to Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1. Any notice so given shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given.

(g) Governing Law and Forum. This Lease shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Lease shall be conducted in the County of Los Angeles, State of California.

(h) Waivers. No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Landlord or Tenant of the same or any other provision. Landlord's or Tenant's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to or approval of any subsequent act by Landlord or Tenant.

(i) Time of Essence. Time is of the essence for the performance of all of the obligations specified hereunder.

(j) Consent. Whenever any consent is required by Landlord or Tenant under this Lease, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise specifically provided herein, shall be deemed granted if not refused within ten (10) days after written request is made therefore, together with all necessary information.

(k) Community Business Enterprises. Landlord shall complete and deliver to Tenant concurrently with the execution a Community Business Enterprises form set forth as Exhibit H attached hereto and incorporated by this reference.

30. AUTHORITY. Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant, and that this Lease is binding upon Tenant in accordance with its terms. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the

Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent, or independent contractor has any authority to alter, add or delete the material terms of this Lease and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by County. County shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Officer may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Base Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an Early Termination Notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

31. ACKNOWLEDGMENT BY LANDLORD. Landlord acknowledges that it knows of the following provisions:

(a) Consideration of GAIN Program Participants. Should Landlord require additional or replacement personnel after the effective date of this Lease, Landlord shall give consideration for any such employment, openings to participants in the County Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program who meet Landlord's minimum qualifications for the open position. The County will refer GAIN participants by job category to Landlord.

(b) Solicitation of Consideration. It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord with the implication, suggestion or statement that the landlord's provision of the consideration may secure more favorable treatment for the landlord in the award of the Lease or that landlord's failure to provide such consideration may negatively affect the County's consideration of the landlord's offer to lease. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee, or agent for the purpose of securing favorable treatment with respect to the award of the Lease. Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may cause the landlord's submission being eliminated from consideration.

(c) Landlord Assignment.

(i) Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in this Lease or any portion thereof

(including the right to receive rental payments but excluding its duties and obligations under this Lease), and Landlord may execute all instruments providing for the payment of Base Rent directly to an assignee or transferee, but only if the conditions in this Section are met.

(ii) Any document or agreement purporting to assign, transfer, mortgage, hypothecate, or encumber Landlord's right, title and interest in this Lease or any portion thereof, is a "Security Agreement." Any Security Agreement executed without full compliance with the requirements of Section 31(c)(iii) shall be void.

(iii) Each assignee or transferee under any Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of the California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the County. Notwithstanding the foregoing, the County agrees that Landlord may encumber the Property with CMBS (collateralized mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Property through any bond financing vehicle, including but not limited to certificate of participation financing.

(iv) Violation by Landlord of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the County may impose damages in an amount equal to the greater of (a) \$500,000 or (b) 10% of the aggregate principal portion of all rental payments payable by the County during the entire Term of this Lease, it being agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the County may exercise or pursue any other right or remedy it may have under this Lease or applicable law.

(v) Landlord shall give the County notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of Base Rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.

(vi) Landlord shall furnish no information concerning County or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity, except with County's prior written consent. Landlord shall indemnify, defend, and hold County and its officers, agents and employees harmless against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.

(vii) This Section shall bind and apply to the parties to this Lease and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord shall bind and apply to Landlord's successors and assigns whether so expressed or not.

32. IRREVOCABLE OFFER. In consideration for the time and expense that Tenant will invest, including, but not limited to, preliminary space planning, and legal review, in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

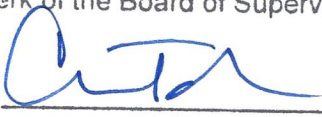
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IN WITNESS WHEREOF this Lease has been executed the day and year first above set forth.

LANDLORD:

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

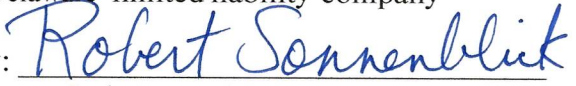
PATRICK OGAWA  
Acting Executive Officer  
Clerk of the Board of Supervisors

By:   
Deputy




TENANT:

SONNENBLICK DEL RIO NORWALK, LLC  
a Delaware limited liability company

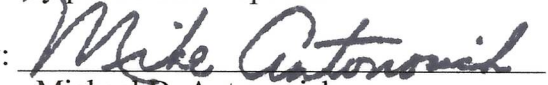
By:   
Bob Sonnenblick, Co-Manager

By:   
Nelson Del Rio, Co-Manager

NORWALK SEC, LLC  
a Delaware limited liability company

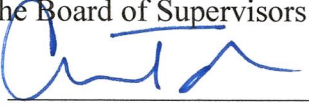
By:   
Name: Rene Ristau  
Its: Vice President

COUNTY OF LOS ANGELES  
a body politic and corporate

By:   
Michael D. Antonovich  
Mayor, Board of Supervisors

ATTEST:

Patrick Ogawa  
Acting Executive Officer-Clerk  
of the Board of Supervisors

By:   
Deputy

APPROVED AS TO FORM:

MARK J. SALADINO  
County Counsel

By:   
Deputy

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

18 APR 14 2015

  
PATRICK OGAWA  
ACTING EXECUTIVE OFFICER

EXHIBIT A  
FLOOR PLAN OF PREMISES

EXHIBIT B  
CLEANING AND MAINTENANCE SCHEDULE FOR THE PREMISES

1. DAILY (Monday through Friday)
  - A. Carpets vacuumed.
  - B. Composition floors dust-mopped.
  - C. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
  - D. Waste baskets, other trash receptacles emptied.
  - E. Chairs and waste baskets returned to proper position.
  - F. Fingerprints removed from glass doors and partitions.
  - G. Drinking fountains cleaned, sanitized and polished.
  - H. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
  - I. Bulb and tube replacements, as required.
  - J. Graffiti expunged within two (2) working days after notice by Tenant.
  - K. Floors washed as needed.
  - L. Kitchen/Lunchroom supplies replenished including paper supplies and soap.
2. WEEKLY
  - A. Low-reach areas, chair rungs, baseboards and insides of door jambs dusted.
  - B. Window sills, ledges and wood paneling and molding dusted.
3. MONTHLY
  - A. Floors washed and waxed in uncarpeted office area.
  - B. High-reach areas, door frames and tops of partitions dusted.
  - C. Picture moldings and frames dusted.
4. QUARTERLY
  - A. Light fixtures cleaned and dusted, but not less frequently than Quarterly.
  - B. Wood furniture polished.
  - C. Draperies or mini-blinds cleaned as required, but not less frequently than Quarterly.
  - D. HVAC units serviced for preventative maintenance, all filters changed.
  - E. Upholstered furniture vacuumed, plastic and leather furniture wiped.
  - F. Wall vents and ceiling vents vacuumed.
  - G. Carpet professionally spot cleaned as required to remove stains.
  - H. HVAC chiller water checked for bacteria, water conditioned.
5. ANNUALLY.

- A. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. Landlord agrees that bonnet cleaning is not an acceptable method of cleaning carpets.
- B. Interior of windows washed.

6. AS NEEDED

- A. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition .
- B. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.

7. GENERAL Landlord shall, upon request of Tenant, produce written service contracts as evidence of compliance with the terms of this Cleaning and Maintenance Schedule.

EXHIBIT C

**TENANT ESTOPPEL CERTIFICATE**

To: \_\_\_\_\_

\_\_\_\_\_

Attn: \_\_\_\_\_

Re:    Date of Certificate: \_\_\_\_\_  
      Lease Dated: \_\_\_\_\_  
      Current Landlord: \_\_\_\_\_  
      at: \_\_\_\_\_  
      Premises: \_\_\_\_\_  
      Commencement Date of Term: \_\_\_\_\_  
      Expiration Date: \_\_\_\_\_  
      Current Rent: \_\_\_\_\_

County of Los Angeles ("Tenant") certifies that as of the date:

1.    Tenant is the present owner and holder of the tenant's interest under the lease described above, as it may be amended to date (the "Lease"). The Lease covers the premises described above (the "Premises") in the building (the "Building") at the address set forth above.
2.    (a)    A true, correct and complete copy of the Lease (including all modifications, amendments, supplements, side letters, addenda and riders of and to it) is attached to this Certificate as Exhibit A.  
      (b)    The current Rent is set forth above.  
      (c)    The term of the Lease commenced on the Commencement Date set forth above and will expire on the Expiration Date set forth above, including any exercised option or renewal term. Except as specified in the Lease, Tenant has no option or right to renew, extend or cancel the Lease.  
      (d)    Except as specified in the Lease, Tenant has no option or right to lease additional space in the Premises or Building or to use any parking.  
      (e)    Except as specified in the Lease, Tenant has no option or preferential right to purchase all or any part of the Premises (or the land of which the Premises are a part).  
      (f)    Tenant has made no agreement with Landlord or any agent, representative or employee of Landlord concerning free rent, partial rent, rebate of rental payments or any other similar rent concession, except as set forth in the Lease.
3.    (a)    The Lease constitutes the entire agreement between Tenant and Landlord regarding the Premises, has not been modified, changed, altered or amended and is in full force and effect. There are no other agreements, written or oral, which affect Tenant's occupancy of the Premises.

(b) To the knowledge of Tenant, Tenant has not given Landlord written notice of a material default under the Lease not cured.

(c) The interest of Tenant in the Lease has not been assigned or encumbered. Tenant is not entitled to any credit against any rent or other charge or rent concession under the Lease except as set forth in the Lease. No rental payments have been made more than one month in advance.

4. All contributions required to be paid by Landlord for improvements to the Premises have been paid in full and all of Landlord's obligations regarding tenant improvements have been fully performed.

IN WITNESS WHEREOF, the Tenant has executed this Tenant Estoppel Certificate as of the day set forth above.

COUNTY OF LOS ANGELES

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

APPROVED AS TO FORM:

MARK J. SALADINO  
County Counsel

By: \_\_\_\_\_  
Deputy:

EXHIBIT D

**SUBORDINATION, NON-DISTURBANCE**

**AND ATTORNMENT AGREEMENT**

**AND WHEN RECORDED MAIL TO:** )  
 )  
County of Los Angeles )  
**CHIEF EXECUTIVE OFFICE** )  
Real Estate Division )  
222 South Hill Street, 3<sup>rd</sup> Floor )  
Los Angeles, California 90012 )      Space above for Recorder's Use

---

**SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT**

**NOTICE: THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.**

This Subordination, Non-Disturbance and Attornment Agreement ("Agreement") is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_ by and among COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant"), \_\_\_\_\_ ("Borrower") and \_\_\_\_\_, ("Lender").

Factual Background

A. Borrower owns certain real property more particularly described in the attached Exhibit A. The term "Property" means that real property with all improvements (the "Improvements") on it.

B. Lender has made or agreed to make a loan to Borrower. The Loan is or will be secured by a deed of trust or mortgage encumbering the Property (the "Deed of Trust").

C. Tenant and Borrower (as "Landlord") entered into a lease dated \_\_\_\_\_ (the "Lease") under which Borrower leased to Tenant a portion of the Improvements within the Property and more particularly described in the Lease (the "Premises").

D. Tenant will agree to subordinate certain of Tenant's rights under the Lease to the lien of the Deed of Trust and to attorn to Lender on the terms and conditions of this Agreement. Tenant will agree to such subordination and attornment and other conditions, provided that Lender agrees to a Non-Disturbance Agreement

Therefore, the parties agree:

1. Subordination. The Lease shall be subject and subordinate to the lien of the Deed of Trust and to any renewals, modifications, consolidations, replacements and

extensions of the Deed of Trust to the full extent of the principal sum secured by the Deed of Trust including any interest except that if Tenant is granted any option to extend the term of the Lease, right of first offer to lease additional premises, option to purchase the Property, or right of first option to purchase the Property in the Lease such provisions shall not be affected or diminished by this subordination conditioned upon the agreement of Borrower and Lender in section 3.

2. Definitions of "Transfer of the Property" and "Purchaser". As used, the term "Transfer of the Property" means any transfer of Borrower's interest in the Property by foreclosure, trustee's sale or other action or proceeding to enforce the Deed of Trust or by deed in lieu thereof. The term "Purchaser", as used, means any transferee, including Lender, of the interest of Borrower because of any such Transfer of the Property and also includes all successors and assigns, including Lender, of such transferee.

3. Non-Disturbance. The Transfer of the Property or any enforcement of the Deed of Trust shall not terminate the Lease or disturb Tenant in the possession and use of the leasehold estate created, or deprive Tenant of any other property rights granted in the Lease.

4. Attornment. Subject to Section 3 above, if any Transfer of the Property should occur, Tenant shall and attorns to Purchaser, including Lender if it should be the Purchaser, as the landlord under the Lease, and Tenant shall be bound to Purchaser under all of the terms, covenants and conditions of the Lease for the balance of the Lease term and any extensions or renewals of it which may then or later be in effect under any validly exercised extension or renewal option in the Lease, all with the same force and effect as had Purchaser been the original landlord under the Lease. This attornment shall be effective and self-operative without the execution of any further instruments upon Purchaser's succeeding to the interest of the landlord under the Lease.

5. Lender Not Obligated. Lender, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not (a) be liable for any damages or other relief attributable to any act or omission of any prior Landlord under the Lease including Borrower; or (b) be subject to any offset or defense not specifically provided for in the Lease which Tenant may have against any prior landlord under the Lease; or (c) be bound by any prepayment by Tenant of more than one month's installment of rent; or (d) be obligated for any security deposit not delivered to Purchaser; or (e) be bound by any modification or amendment of or to the Lease unless the amendment or modification shall have been approved in writing by the Lender.

6. Notices. All notices under this Agreement shall be in writing and shall be given by personal delivery, overnight receipted courier or by registered or certified United States mail, postage prepaid, sent to the party at its address appearing below. Notices shall be effective upon receipt (or on the date when proper delivery is refused). Addresses for notices may be changed by any party by notice to all other parties under this Section.

To Lender: \_\_\_\_\_  
\_\_\_\_\_

To Borrower: \_\_\_\_\_  
\_\_\_\_\_

To Tenant: County of Los Angeles

Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3rd Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

7. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by the laws of the State of California without regard to the choice of law rules of that State.

8. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute but the same instrument.

TENANT: COUNTY OF LOS ANGELES,  
a body politic and corporate

APPROVED AS TO FORM

MARK J. SALADINO  
County Counsel

By: \_\_\_\_\_  
Deputy:

By: \_\_\_\_\_

Director of Real Estate

BORROWER:

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

LENDER: *[Insert name of Lender]*,

By: \_\_\_\_\_

## EXHIBIT E

## NON-DISTURBANCE AND ATTORNMENT AGREEMENT

**AND WHEN RECORDED MAIL TO:**

**County of Los Angeles**  
**CHIEF EXECUTIVE OFFICE**  
**Real Estate Division**  
**222 South Hill Street, 3rd Floor**  
**Los Angeles, California 90012**

**Space above for Recorder's Use**

## NONDISTURBANCE AND ATTORNMENT AGREEMENT

This Nondisturbance and Attornment Agreement ("Agreement") is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 200\_\_ by and among COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant"), and [Insert name of Lender], ("Lender").

## Factual Background

A. *[Insert name of Landlord]*, ("Borrower") owns certain real property more particularly described in the attached Exhibit A. The term "Property" means that real property with all improvements (the "Improvements") on it.

B. Lender has made a loan to Borrower. The Loan is secured by a deed of trust or mortgage encumbering the Property (the "Deed of Trust").

C. Tenant and Borrower (as “Landlord”) intend to or have entered into a lease (the “Lease”) under which Borrower leases to Tenant a portion of the Improvements within the Property and more particularly described in the Lease (the “Premises”).

D. Tenant's rights under the Lease are subordinate to the lien of the Deed of Trust. Tenant will make the substantial investment in the Premises required under the Lease, provided that Lender agrees to a nondisturbance provision.

## Agreement

Therefore, the parties agree:

1. Definitions of “Transfer of the Property” and “Purchaser”. As used, the term “Transfer of the Property” means any transfer of Borrower’s interest in the Property by foreclosure, trustee’s sale or other action or proceeding to enforce the Deed of Trust or by deed in lieu thereof. The term “Purchaser,” as used, means any transferee, including

Lender, of the interest of Borrower because of any such Transfer of the Property and also includes all successors and assigns, including Lender, of such transferee.

2. Nondisturbance. The Transfer of the Property or enforcement of the Deed of Trust shall not terminate the Lease or disturb Tenant in the possession and use of the leasehold estate created, or deprive Tenant of any other property rights granted under the Lease.

3. Attornment. Provided that Lender complies with Section 2 above, if any Transfer of the Property should occur, Tenant shall and attorns to Purchaser, including Lender if it should be the Purchaser, as the landlord under the Lease, and Tenant shall be bound to Purchaser under all of the terms, covenants and conditions of the Lease for the balance of the Lease term and any extensions or renewals of it which may then or later be in effect under any validly exercised extension or renewal option in the Lease, all with the same force and effect as had Purchaser been the original landlord under the Lease. This attornment shall be effective and self-operative without the execution of any further instruments upon Purchaser's succeeding to the interest of the landlord under the Lease.

4. Lender Not Obligated. Provided that Lender complies with Section 2 above, Lender, if it becomes the Purchaser or if it takes possession under the Deed of Trust, and any other Purchaser shall not (a) be liable for any damages or other relief attributable to any act or omission of any prior Landlord under the Lease including Borrower; or (b) be subject to any offset or defense not specifically provided for in the Lease which Tenant may have against any prior landlord under the Lease; or (c) be bound by any prepayment by Tenant of more than one month's installment of rent; or (d) be obligated for any security deposit not delivered to Purchaser; or (e) be bound by any modification or amendment of or to the Lease unless the amendment or modification shall have been approved in writing by the Lender.

5. Notices. All notices under this Agreement shall be in writing and shall be given by personal delivery, overnight receipted courier or by registered or certified United States mail, postage prepaid, sent to the party at its address appearing below. Notices shall be effective upon receipt (or on the date when proper delivery is refused). Addresses for notices may be changed by any party by notice to all other parties under this Section.

To Lender: \_\_\_\_\_  
\_\_\_\_\_

To Borrower: \_\_\_\_\_  
\_\_\_\_\_

To Tenant: County of Los Angeles  
Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3rd Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

6. Miscellaneous Provisions. This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and assigns. This Agreement is governed by the laws of the State of California without regard to the choice of law rules of that State. This Agreement is the entire agreement between the Lender and Tenant and may only be modified by a written amendment executed by Lender and Tenant.

APPROVED AS TO FORM

TENANT: COUNTY OF LOS ANGELES,

a body politic and corporate

MARK J. SALADINO  
County Counsel

By: \_\_\_\_\_

By:

Deputy County Counsel

Director of Real Estate

BORROWER: [Insert name of Landlord]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

LENDER: [Insert name of Lender]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT F

**REQUEST FOR NOTICE**

**RECORDING REQUESTED BY**

**AND WHEN RECORDED MAIL TO:**

County of Los Angeles  
CHIEF EXECUTIVE OFFICE  
Real Estate Division  
222 South Hill Street, 3rd Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

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**REQUEST FOR NOTICE**

**(UNDER SECTION 2924B CIVIL CODE)**

Under Section 2924b, Civil Code, request is made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust described below:

Date of Recording of Deed of Trust

Instrument Number of Deed of Trust

Trustor

Trustee

Beneficiary

be mailed to County of Los Angeles, Chief Executive Office, Real Estate Division, 222 South Hill Street, 3rd Floor, Los Angeles, California 90012, Attention: Director of Real Estate.

"LENDER:

\_\_\_\_\_.

a \_\_\_\_\_

By: \_\_\_\_\_  
SIGNEE'S NAME

Its: SIGNEE'S TITLE

(ALL SIGNATURES MUST BE ACKNOWLEDGED)

COUNTY OF \_\_\_\_\_ ss.

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me, \_\_\_\_\_  
\_\_\_\_\_ a Notary Public in and for the State of California, personally appeared \_\_\_\_\_  
\_\_\_\_\_ personally known to me (or proved on the  
basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the  
within instrument and acknowledged to me that he/she/they executed the same in  
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the  
instrument the person(s), or the entity upon behalf of which the person(s) acted, executed  
the instrument.

WITNESS my hand and official seal

Signature \_\_\_\_\_

My commission expires \_\_\_\_\_.

## EXHIBIT G

### **COMMUNITY BUSINESS ENTERPRISE FORM**

**INSTRUCTIONS:** All Landlords shall submit this form on an annual basis on or before December 30th of each year of the term of this agreement as evidence of CBE participation. The information requested below is for statistical purposes only. On final analysis and consideration, leases will be selected without regard to gender, race, creed, or color. Categories listed below are based on those described in 49 CFR Section 23.5.

Firm Name	
Address	
Contact Name	
Telephone No.	
Total # of Employees	
Business Structure*	

\*Corporation, Partnership, etc.

#### MINORITY/WOMEN PARTICIPATION IN FIRM

	OWNERS	ASSOCIATE PARTNERS			
Black/African American					
Hispanic/Latin					
Asian American					
Portuguese American					
A. Indian/Alaskan					
All Others					
<b>TOTAL</b>					
Women*					

*\*Should be included in counts above and reported separately)*

#### PERCENTAGE OF MINORITY/WOMEN OWNERSHIP IN FIRM

	TOTAL # OF OWNERS	% OF OWNERSHIP
Black/African American		
Hispanic/Latin American		
Asian American		
Portuguese American		

American Indian/Alaskan Native		
All Others		
<b>TOTAL</b>		
Women*		

*\*Should be included in counts above and reported separately*

#### CURRENT CERTIFICATION AS MINORITY/WOMEN-OWNED FIRM

Is your firm currently certified as a minority owned business firm by the:

	yes	No	
State of California?			
City of Los Angeles?			
Federal Government?			

WE DO NOT WISH TO PROVIDE THE INFORMATION REQUIRED IN THIS FORM.

Initial here if applicable	Initial	
----------------------------	---------	--

SIGNED:

TITLE:

DATE:

**COUNTY OF LOS ANGELES**  
**CHIEF EXECUTIVE OFFICE**  
**LEASE AGREEMENT**

**DEPARTMENT: Mental Health, as Tenant**

**LANDLORD: Sonnenblick-Del Rio Norwalk, LLC, a Delaware Limited Liability  
Company**

**[ 12440 East Imperial Highway, Suite 116, Norwalk, CA 90650 ]**

78360

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COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE  
LEASE AGREEMENT

THIS LEASE is entered into as of the 14th day of April, 2015, between SONNENBLICK-DEL RIO NORWALK, LLC, a Delaware limited liability company, and NORWALK SEC, LLC, a Delaware limited liability company, on the one hand, (collectively "Landlord"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant" or "County").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION The following terms shall have the meanings provided in this Section 1, unless otherwise specifically modified by provisions of this Lease.

1.1 Defined Terms Relating to the Lease:

(a) Landlord's Address for Notice: Sonnenblick Del Rio Norwalk, LLC  
Norwalk Government Center  
12440 East Imperial Highway, Suite 101  
Norwalk, CA 90650  
Attention: Melissa Garcia, Property Manager

With a copy to:

Norwalk SEC, LLC  
350 North LaSalle Street, Suite 800  
Chicago, Illinois 60654  
Attention: Rene Ristau

(b) Tenant's Address for Notice: Board of Supervisors  
Kenneth Hahn Hall of Administration,  
Room 383  
500 West Temple Street  
Los Angeles, California 90012

With a copy to:

Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

78360

- (c) Premises: Approximately 10,838 rentable square feet in the Building (defined below) as shown on Exhibit A attached hereto and commonly referred to as Suite 116.
- (d) Building: The building located at 12440 East Imperial Highway, Norwalk, CA 90650, which is currently assessed by the County Assessor as APN 8047-006-004 (the "Property").
- (e) Term: Five (5) years commencing on May 1, 2015 (the "Commencement Date") and terminating at midnight on April 30, 2020 (the "Termination Date"), subject to earlier termination as provided herein. The word "Term" and the phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease.
- (f) Irrevocable Offer Expiration Date: April 30, 2015
- (g) Base Rent: \$18,966.50 per month (which is based upon a rental rate of \$1.75 per rentable square foot (adjustable only as provided in Sections 2(b) and 5 hereof.)
- (h) Early Termination Date: Upon the fourth (4<sup>th</sup>) anniversary of the Commencement Date or any time thereafter.
- (i) Rentable Square Feet in the Premises: 10,838
- (j) Use: General office use or for any other lawful purposes not incompatible with other uses in the Building.
- (k) Initial Departmental Use: Mental Health
- (l) Parking Spaces: 43
- (m) Normal Working Hours: 7:00 a.m. to 7:00 p.m., Monday through Friday, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed)

and such other holidays as are generally recognized by the County of Los Angeles, California.

1.2 Exhibits to Lease:

Exhibit A–Floor Plan  
Exhibit B–Cleaning Schedule  
Exhibit C–Tenant Estoppel Certificate  
Exhibit D–Subordination, Non-disturbance and  
Attornment Agreement  
Exhibit E–Nondisturbance Agreement  
Exhibit F–Request for Notice  
Exhibit G–Community Business Enterprises  
Form

2. PREMISES. Landlord leases to Tenant, and Tenant leases from Landlord, upon the terms and conditions set forth, the Premises described in Section 1 and Exhibit A attached hereto.

3. COMMON AREAS. Tenant may use the following areas ("Common Areas") in common with Landlord and other tenants of the Building: the entrances, lobbies and other public areas of the Building, walkways, landscaped areas, driveways necessary for access to the Premises, parking areas and other common facilities designated by Landlord from time to time for common use of all tenants of the Building. Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Areas established by Landlord.

4. COMMENCEMENT AND EXPIRATION DATES.

(a) Term. The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date in Section 1.1(e).

(b) Early Termination. Tenant may terminate this Lease after the Early Termination Notice Date, as defined in Section 1, by giving Landlord not less than ninety (90) days prior written notice executed by the Chief Executive Officer of Tenant or its delegate ("Chief Executive Officer").

5. RENT.

(a) Base Rent. Tenant shall pay Landlord the Base Rent stated in Section 1.1(h) during the Term hereof within 15 days after a claim therefor for each such month has been filed by Landlord with the Auditor of the County of Los Angeles (the "County") prior to the first day of each month. Base Rent for any partial month shall be prorated in proportion to the number of days in such month.

(b) Annual Rent Adjustment. On the first day of April of each calendar year during the Term (the "Adjustment Date"), Base Rent shall be adjusted by applying the CPI Formula set forth below.

(c) CPI Formula. The "Basic Index" means the Consumer Price Index for all Urban Consumers for the Los Angeles-Riverside-Orange County area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100) published for March 2015. The "CPI Formula" means Base Rent for the month prior to the Adjustment Date multiplied by a fraction, the numerator being the Basic Index published for the month immediately prior to the Adjustment Date ("New Index"), and the denominator being the Basic Index published for March 2015. If the Basic Index is changed so the Basic Index differs from that used as of the Commencement Date of the Lease, the Basic Index shall be converted under the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Basic Index is discontinued or revised during the Term, such other governmental Index or computation with which it is replaced shall be used to obtain substantially the same results as would be obtained if the Basic Index had not been discontinued or revised. Illustration of Formula. The formula for determining the new rent shall be:

$$\begin{aligned}
 & \frac{\text{New Index}}{\text{[Basic Index]}} \times \$18,966.50 \text{ (Base Rent)} \\
 & \pm \text{Amount needed to amortize Tenant's Additional Tenant Improvements, if any} \\
 & \pm \text{Amount needed to amortize change order costs, if any} \\
 & = \text{Adjusted Monthly Base Rent}
 \end{aligned}$$

(d) Limitations on CPI Adjustment. The annual Base Rent adjustment determined under Section 5(c) above shall not exceed three percent (3%) per year of the Base Rent of \$18,966.50 (i.e. not greater than \$569.00 per month, per annual adjustment). The monthly rent shall not be adjusted by the CPI Formula to result in a lower monthly Base Rent than was payable during the previous year of the Lease.

6. USES. The Premises are to be used only for the uses set forth in Section 1 and for no other business or purpose; however, Landlord shall not unreasonably withhold its consent to a change of use.

7. HOLDOVER. If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease, such occupancy shall be a month-to-month tenancy at the last monthly Base Rent payable under this Lease (as such Base Rent may be adjusted from time to time in accordance with this Lease) plus all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease. Such month-to-month tenancy shall be terminable upon thirty (30) days written notice from Landlord or from the Chief Executive Officer of Tenant.

8. COMPLIANCE WITH LAW. Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof, regulating the use, occupancy or improvement of the Premises by Tenant. Landlord, not Tenant, shall, at its sole cost, at all times cause the Building and Premises to comply with all applicable statutes,

ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the term hereof, including without limitation, Titles II and III of the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises, in which event Tenant shall comply at its sole cost and expense.

9. DAMAGE OR DESTRUCTION.

(a) Damage. If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days, then Landlord shall promptly, at Landlord's expense, repair such damage and this Lease shall continue in full force and effect. If all or any portion of the Premises becomes untenable by reasons of fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but within ten days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the estimated time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again using standard working methods. Failing to do so shall be a material default by Landlord. Base Rent shall abate to the extent that the Premises are unusable by Tenant. Tenant waives California Civil Code Sections 1932(2) and 1933(4) regarding any partial or total destruction of the Premises.

(b) Tenant Termination Right. If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days for any reason, then Tenant may terminate this Lease by giving written notice within ten days after notice from Landlord specifying such time period of repair; and this Lease shall terminate and the Base Rent shall be abated from the date the Premises became untenable. If Tenant does not elect to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises.

(c) Damage In Last Year. Notwithstanding the foregoing provisions, if any material destruction to the Premises occurs during the last year of the Term, either Landlord or Tenant may terminate this Lease by giving written notice to the other not more than 30 days after such destruction, in which case (a) Landlord shall have no obligation to restore the Premises, (b) Landlord may retain all insurance proceeds relating to such destruction, and (c) this Lease shall terminate as of the date 30 days after such written notice of termination.

(d) Default By Landlord. If Landlord must repair and restore the Premises as provided for in this Section and Landlord should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion, Tenant may (a) declare a default, or (b) perform or cause to be performed the restoration work and deduct

the cost thereof plus interest thereon at ten percent (10%) per annum, from the Base Rent next due as a charge against the Landlord.

#### 10. REPAIRS AND MAINTENANCE

(a) Landlord Representations. Landlord represents to Tenant that, to the best of Landlord's knowledge and belief, (i) the Premises, the Building and all Common Areas, (including electrical, ventilating and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, as applicable, including the Americans With Disabilities Act; and are in reasonable good working order and condition; (ii) the Building and Premises comply with all covenants, conditions, restrictions and insurance underwriter's requirements; (iii) the Premises, Building and Common Areas are free of the presence of any Hazardous Materials (as defined herein); and (iv) Landlord has received no notice from any governmental agency that the Building or the Premises violate any law or regulation. Landlord represents, that, to the best of Landlord's knowledge, the Premises and the Building contain no asbestos containing materials. Landlord shall, prior to Tenant's occupancy, abate, at Landlord's sole cost and expense, all asbestos containing materials other than those incurred by Tenant in the Premises to the extent required by law and provide Tenant with an updated report from a licensed California asbestos contractor to that effect.

(b) Landlord Obligations. Landlord shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed: (i) the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing, stairways, concealed electrical systems and telephone intrabuilding network cable (ii) building standard mechanical (including HVAC), electrical, plumbing and fire/life safety systems serving the Building (iii) the Common Areas; (iv) exterior windows of the Building; and (v) elevators serving the Building. Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Building systems contained within the Premises and, specifically, shall keep the (1) floor covering; (2) interior partition walls; (3) doors; (4) interior side of demising walls; and (5) exit and other building general signage within the Premises in good condition and repair, reasonable wear and tear and damage caused by tenant, its customers, agents, servants or employees excepted.

(c) Tenant Obligations. Without limiting Landlord's Obligations, Tenant shall, at Tenant's sole expense, be responsible for the cost of repairing any area damaged by Tenant or Tenant's agents, employees, invitees and visitors and the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by Tenant, which consent shall not be unreasonably withheld or delayed; (b) be at least equal in quality, value and utility to the original work or installation; and (c) be in accordance with all laws.

(d) Tenant's Right to Repair. If Tenant provides written notice (or oral notice if an emergency occurs such as damage or destruction to or of any portion of the Building structure and/or the Building systems and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord regarding repair and/or maintenance, and Landlord fails to provide such action within a reasonable period of time, given the circumstances, after giving such notice, but not later than five days after giving such notice, then Tenant may take the required action (provided, however, that no such notice shall be required if an emergency occurs which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to perform the work contemplated by this provision. If Landlord was required to take such action under the terms of this Lease and Landlord took no such action within such period (unless such notice was not required), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum commencing ten (10) days from the time such reimbursement is requested. If not reimbursed by Landlord within ten (10) days, Tenant may deduct from Base Rent payable by Tenant under this Lease the amount in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 14.

11. SERVICES AND UTILITIES. Landlord shall provide the following services and utilities to the Premises, at its sole cost and expense, unless prevented from doing so by act of God or third parties:

(a) Heating, Ventilation and Air Conditioning. Landlord shall furnish Building ventilation and air conditioning ("HVAC"), during Normal Working Hours in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other first-class buildings. Tenant acknowledges that heat is not provided in the Building. Tenant may, through an authorized agent, request after hours HVAC services provided Tenant reimburses Landlord for the cost of additional HVAC services at the rate of \$85 per hour.

(b) Utilities. Landlord shall furnish metered electricity to the Premises, subject to reimbursement by Tenant monthly and within ten days of being billed for such usage as metered. The amount of electric current provided shall include that amount required for current electricity needs within the Premises as well as any additional electricity required by the Working Drawing for power, lighting and electric current for HVAC. Landlord agrees to pay when due all charges of the sewer, effluent treatment, water, sprinkler, gas and other lighting, and power and other utility rents and charges accruing or payable in connection to the Premises during the term of the Lease or any renewal extension, or holdover thereof, whether the same are pro-rated or measured by separate meters, and reimbursed by Tenant monthly and within ten days of being billed for such usage.

(c) Elevators. Landlord shall furnish freight and passenger elevator services to the Premises during Normal Working Hours. During all other hours,

Landlord shall furnish passenger elevator cab service in the elevator bank serving the Premises on an as needed basis, and, by prior arrangement with Landlord's building manager, freight elevator service.

(d) Water. Landlord shall make available water for normal lavatory and potable water meeting all applicable governmental standards for drinking purposes in the Premises.

(e) Janitorial. Landlord shall provide janitorial service on five nights per week generally consistent with that furnished in comparable office buildings in the County of Los Angeles, but not less than the services set forth in the specifications set forth in Exhibit B attached hereto.

(f) Access. Landlord shall furnish to Tenant's employees and agents access to the Building, Premises, and Common Areas on a seven day per week, 24 hour per day basis, subject to (i) compliance with such reasonable security measures as shall from time to time be in effect for the Building; and (ii) to the extent the County Chief Executive Officer or its designee requests after-hours access cards for Tenant's employees and agents in a number approved by the County Chief Executive Officer at the rate of Ten Dollars (\$10.00) per access card.

12. LANDLORD ACCESS. Tenant shall permit Landlord and its agents to enter the Premises upon prior written notice to inspect the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Building or Premises, Base Rent shall be prorated based upon the percentage of the Premises or Building rendered untenable and not used by Tenant. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency.

### 13. TENANT DEFAULT

(a) Default. The occurrence of any one or more of the following events (a "Tenant Default") shall constitute a material default and breach of this Lease by Tenant:

(i) The failure by Tenant to make any payment of Base Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder), as and when due and if the failure continues for a period of ten days after written notice to Tenant;

(ii) The failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of 30 days after written notice from Landlord specifying in detail the nature of the Tenant Default; provided, however, if more than 30 days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

(b) Termination. Tenant agrees that if a Tenant Default should occur and should not be cured within the time periods set forth above, it shall be lawful for

Landlord to terminate this Lease upon the giving of written notice to Tenant. In addition thereto, Landlord shall have such other rights or remedies as may be provided by law.

(c) No Effect on Indemnity. Nothing in this Section 13 shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

#### 14. LANDLORD DEFAULT

(a) Default and Remedies. In addition to the provisions for Landlord's default provided by Sections 9(d), 10(b), 19 and 20(b), Landlord shall be in default ("Landlord Default") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within five (5) days after the giving of written notice with respect thereto by Tenant in the event of a monetary default, or within thirty (30) days in the event of a non-monetary default (which notice shall be, if appropriate, the same notice given under Section 10(d)); provided, however, that if the nature of the Landlord Default is such that the same cannot reasonably be cured within such notice period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure periods, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein: (i) to remedy such default or breach and deduct the costs thereof (including but not limited to attorneys' fees) plus interest at the rate of ten percent (10%) per annum from the installments of Base Rent next falling due; (ii) to pursue the remedy of specific performance; (iii) to seek money damages for loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Base Rent next coming due; and/or (iv) to terminate this Lease.

(b) Waiver. Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction, or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

(c) Emergency. Notwithstanding the foregoing cure period, Tenant may cure any default without notice where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition or materially and adversely affect the operation of Tenant's business in the Premises.

15. ASSIGNMENT AND SUBLETTING. Tenant has the right to assign this Lease or sublease the Premises to another government agency, contractor or sub-contractor of the Tenant or any other government agency without Landlord's prior written consent so long as the intended use is consistent and compatible with the other tenancies

within the Building and upon the condition that the assignee or sublessee expressly assumes and agrees in writing to pay the rent and to perform each and every covenant and agreement in this Lease required by Tenant to be paid or to be performed. Tenant shall notify Landlord of any change in tenancy. Additionally, Tenant shall have the right to assign the Lease or sublease the Premises to a private party provided Landlord's written consent to such assignment or sublease is first obtained. Landlord's consent shall not be unreasonably withheld. If Landlord does not respond to Tenant's request for assignment or subletting within thirty (30) days from the date of the request, the request shall be deemed approved.

#### 16. ALTERATIONS AND ADDITIONS

(a) Landlord Consent. Tenant shall make no structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. However, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria: (1) complies with all Laws; (2) is not visible from the exterior of the Premises or Building; (3) will not materially affect the systems or structure of the Building; and (4) does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building. If Landlord fails to respond in writing within 30 days of such request, Landlord shall be deemed to approve the Alterations.

(b) End of Term. Any Alterations, fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture) shall be removed by Tenant at the end of the Term. Any Alterations, fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture) not removed by Tenant at the end of the Term shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Term.

#### 17. CONDEMNATION

(a) Controlling Terms. If during the Term, or during the time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section shall determine the rights and obligations of Tenant and Landlord. "Condemnation" shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a Condemnor (as defined below) or a voluntary sale or transfer by Landlord to any Condemnor, either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for exercising such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

(b) Total Taking. If the entire Premises are taken by Condemnation, this Lease shall terminate on the date the Condemnor has a right to possession of the Premises (the "Date of Taking").

(c) Partial Taking. If any portion, but not all, of the Premises is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving written notice to Landlord within thirty (30) days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than thirty (30) days nor later than ninety (90) days after Tenant has notified Landlord of its election to terminate; except this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within 30 days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated.

(d) Restoration. Notwithstanding Section 17(c), if, within thirty (30) days after the Determination Date, Landlord notifies Tenant that Landlord at its cost will add to the remaining Premises so the area of the Premises and the space available for parking, will be substantially the same after the Date of Taking as they were before the Date of Taking, and Landlord commences the restoration promptly and, subject to reasonable allowance for delays not caused by Landlord, completes it within 90 days after Landlord so notifies Tenant, this Lease shall continue in effect. All obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated or reduced during the period from the Date of Taking until completing such restoration.

(e) Award. All compensation, sums or anything of value awarded, paid, or received by Landlord or Tenant on a total or partial Condemnation of the Premises shall be divided between Landlord and Tenant as their respective interests may appear.

(f) Waiver of Statute. Landlord and Tenant waive the provision of California Code of Civil Procedure Section 1265.130 allowing Landlord or Tenant to petition the superior court to terminate this Lease in the event of a partial taking of the Premises.

## 18. INDEMNIFICATION

(a) Tenant's Indemnity. Tenant shall indemnify, defend and hold Landlord harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises because of any negligent act, omission or willful misconduct of Tenant or its contractors, licensees, agents, employees, guests, or visitors, or arising from

any breach or default under this Lease by Tenant. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability, or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees or invitees. Nothing in this Lease shall waive, limit, or supersede any of Tenant's rights or immunities under the California Labor Code, including but not limited to a waiver pursuant to Labor Code section 3864.

(b) Landlord's Indemnity. Landlord shall indemnify, defend and hold Tenant harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, in or about the Building or Premises because of any negligent act, omission or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests, or visitors, or arising from any breach or default under this Lease by Landlord. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability, or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Tenant, or its contractors, licensees, agents, employees or invitees.

## 19. INSURANCE

(a) Landlord's Insurance. During the term of this Lease, Landlord shall maintain the following insurance:

(i) Commercial property insurance which shall (1) cover damage to Landlord's property, including improvements and betterments, from perils covered by the causes-of-loss special form (ISO form CP 1030 or equivalent), and include ordinance or law coverage (and coverage against acts of terrorism to the extent such coverage is reasonably available and priced at commercially reasonable rates); and (2) be written for full replacement cost of the property, with a deductible of no greater than 5% of the property value. Insurance proceeds shall be payable to Landlord and be utilized for repair and restoration of the Premises or Landlord's property, as determined by the nature of the loss. Failure by Landlord to use any insurance proceeds to timely repair and restore the Building or the Premises, as applicable, shall constitute a material breach of this Lease.

(ii) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than : (1) per occurrence and general aggregate amount of \$5,000,000; (2) products/completed operations aggregate of \$2,000,000; and (3) personal and advertising injury of \$1,000,000, which limits may be attained through umbrella coverage. Tenant shall be named as an additional insured under such policy

(b) Tenant's Insurance. During the term of this Lease, Tenant shall maintain the following insurance:

(i) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than:

(1) Per occurrence and general aggregate amount of \$5,000,000;

(2) Products/completed operations aggregate of \$2,000,000 and

(3) Personal and advertising injury of \$1,000,000.

(ii) Worker's Compensation Insurance in such amount as required by the Labor Code of the State of California, and including Employers' Liability coverage with limits not less than \$1 million for Each Accident or Each Employee Disease.

(iii) Automobile Liability insurance with a limit of liability not less than \$1 million for each accident and including coverage for all "owned", "hired" and "non-owned" vehicles.

(c) Failure by Landlord or Tenant to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease shall constitute a material breach of this Lease. Tenant, at its sole option, may satisfy all or any part of this insurance requirement through use of a program of self-insurance (self-funding of its liabilities). Certificate evidencing coverage or letter evidencing self-funding will be provided to Landlord within five (5) days of the execution of this Lease.

(d) Insurance Requirements. All insurance policies required to be maintained by Landlord or Tenant under this Lease shall be issued by insurance companies which have a Best's Rating of "AVII" or better and which are qualified to do business in the State of California. All policies of Landlord specified in 19(a) above shall be written as primary policies, not contributing with, and not in excess of, coverage which Tenant may carry.

(e) Certificates.

(i) Landlord shall deliver to Tenant on the Commencement Date of this Lease and thereafter at least fifteen (15) days prior to expiration of any insurance required to be carried hereunder, certificates of insurance evidencing the insurance required by Section 19(a) above with limits not less than those specified above. Certificates shall include the address of the Premises and must document that Landlord has named Tenant as an additional insured (or its equivalent) on its general liability insurance policy. Further, all certificates shall expressly provide that no less than thirty (30) days' prior written notice shall be given to Tenant in the event of material change to, expiration or cancellation of the coverages or policies evidenced by the certificates.

(ii) Unless Tenant elects to self-insure under Section 19(c) above, Tenant shall deliver to Landlord on the Commencement Date of this Lease and thereafter at least fifteen (15) days prior to expiration of any insurance required to be carried hereunder, certificates of insurance evidencing the insurance required by Section 19(b) above with limits not less than those specified above. Certificates shall include the

address of the Premises and must document that Tenant has named Landlord as an additional insured (or its equivalent) on its general liability insurance policy, and that Landlord has been named a loss payee on Tenant's commercial property insurance policy, as required. Further, all certificates shall expressly provide that no less than thirty (30) days' prior written notice shall be given to Landlord in the event of material change to, expiration or cancellation of the coverages or policies evidenced by the certificates.

(f) Waiver of Subrogation. Landlord and Tenant each hereby waive their rights of subrogation against one another to the extent a claim is covered by the property insurance policies required to be carried hereunder. Landlord shall cause its insurance carriers to consent to the foregoing waiver of rights of subrogation against Tenant.

## 20. PARKING

(a) Tenant's Rights. Tenant shall have the right to the number of parking stalls in Section 1.1(m) without charge for the Term of this Lease. No tandem parking shall be permitted and Tenant shall have full in/out privileges. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building.

(b) Remedies. Landlord acknowledges that it is a material term of this Lease that Tenant receives all of the Parking Spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever, more than twenty-five percent (25%) of the Parking Spaces required above are not available to Tenant (the "Unavailable Spaces"), (besides the rights given to Tenant under Sections 9, 14 and 17 if casualty or condemnation occurs), Tenant may (a) terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective thirty (30) days thereafter unless Landlord restores such Parking Spaces, or provides alternative parking, within ten (10) days of such notice, in which case such notice will be null and void, or (b) deduct from the Base Rent thereafter accruing an amount each month equal to \$2.33 per parking space per day for each day the Unavailable Parking Spaces remain unavailable.

## 21. ENVIRONMENTAL MATTERS

(a) Hazardous Materials. Tenant shall not cause nor permit, nor allow any of Tenant's employees, agents, customers, visitors, invitees, licensees, contractors, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of under all Environmental Laws. As used, "Hazardous Materials" means any chemical,

substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi-solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or may become listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. "Environmental Laws" means all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

(b) Landlord Indemnity. Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas or other violation of laws relating to Hazardous Materials other than caused by Tenant. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans required by local or state laws or any governmental agency. Landlord shall promptly deliver to Tenant a copy of any notice received from any governmental agency during the Term concerning Hazardous Materials in the Building or the Premises. Landlord's obligations under the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease.

22. ESTOPPEL CERTIFICATES. Tenant shall, within thirty (30) days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Exhibit C attached hereto and incorporated herein by this reference but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or holder of any mortgage upon Landlord's interest in the Premises.

23. TENANT IMPROVEMENTS.

(a) Base Tenant Improvement Allowance. Landlord shall provide a Base Tenant Improvement Allowance in the maximum sum of Fifty-Four Thousand One Hundred Ninety Dollars (\$54,190) for the painting and the installation of flooring materials within the Premises. The installation of paint and flooring materials in the Premises shall be under Tenant's specifications including the lifting and moving of furniture. A portion of the Base Tenant Improvement Allowance shall be used to pay Landlord a construction management fee equal to three percent (3%) of the tenant improvement costs. Tenant shall be responsible for the cost of painting and the installation of flooring materials within the Premises and any other improvements constructed by or on behalf of Tenant (collectively "Tenant Improvements") in excess of the Base Tenant Improvement Allowance.

(b) Compliance with Laws. Construction of the Tenant Improvements shall comply with all applicable laws and regulations and shall be subject to the general inspection of Tenant. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including, but not limited to, all provisions of the Labor Code of the State of California. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly rate in dollars and details pertinent thereto for each craft, classification, or type of workman or mechanic needed for the construction of the Tenant Improvements. Particulars of the current Prevailing Wage Scale, as approved by the Board of Supervisors which are applicable to the Tenant Improvements, are filed with the Clerk of the Board of Supervisors and must be posted at the site.

(c) Construction Management Fee. Landlord's construction manager shall receive three percent (3%) of the cost of installation of any tenant improvements supervised by such construction manager including, but not limited to, the Tenant Improvements and any other tenant improvements constructed by or on behalf of Tenant as a construction management fee.

(d) Completion of Tenant Improvements. The parties mutually agree that the estimated time for completion of the painting and the installation of flooring materials is 180 days from the date this Lease is duly executed. The actual time for completion of the Tenant Improvements shall be determined when a contract for construction of the Tenant Improvements is awarded pursuant to Section 23(a) above.

(e) Permitted Delay in Completion of Painting and Installation of Flooring Materials. Completion of the painting and installation of flooring materials may be delayed by the following. All delay days incurred as a result of such delays shall be added to Landlord's time for completion under Section 23(d) above:

(i) Acts or omissions of Tenant or of any employees or agents of Tenant (including change orders in the work), or

(ii) Any act of God which Landlord could not have reasonably foreseen and provided for, or

(iii) Any strikes, boycotts or like obstructive acts by employees or labor organizations which Landlord cannot overcome with reasonable effort and could not reasonably have foreseen and provided for, or

(iv) Any war or declaration of a state of national emergency, or

(v) The imposition by government action or authority of restrictions upon the procurement of labor or materials necessary for the completion of the building Premises.

(f) Unpermitted Delays in Completion. If Landlord fails to complete the painting and the installation of flooring materials within sixty (60) days from the time of completion set forth in Section 23(d) as extended by Section 23(e), if applicable, Tenant may, at its option, upon thirty (30) days written notice to Landlord, assume the responsibility for providing the painting and the installation of flooring materials itself. If Tenant elects to provide painting and installation of flooring materials itself, then:

(i) Tenant, its officers, employees, agents, contractors and assignees, shall have access to the Premises at all reasonable times to make the tenant improvements and for any other purposes reasonably related thereto;

(ii) If the unused balance of the Base Tenant Improvement Allowance exceeds Tenant's total expense in completing the painting and the installation of flooring materials, including any financing charges for capital and a reasonable amount for its administrative costs, and including interest at 9% per annum (collectively "Tenant's TI Expense"), Landlord shall tender Tenant's TI Expense to Tenant within thirty (30) days of Landlord's approval of Tenant's TI Expense.

(iii) If the unused balance of the Base Tenant Improvement Allowance is less than Tenant's TI Expense, Landlord shall deliver the unused balance of the Base Tenant Improvement Allowance to Tenant.

24. LIENS. Tenant shall keep its interest in this Lease and the Premises free from any liens arising out of any work performed or materials ordered or obligations incurred by Tenant, and hereby indemnifies and holds Landlord harmless from any liability or loss from any such lien. Landlord shall keep its interest in this Lease and the Premises free from any liens which would impair the interest of Tenant hereunder and hereby indemnifies and holds Tenant harmless from any liability or loss from any such lien.

## 25. SUBORDINATION AND MORTGAGES

(a) Subordination and Non-Disturbance. Tenant agrees, at Landlord's option, to subordinate this Lease to the lien of any mortgages or deeds of trust now or hereafter in force against the Building; provided, however, Tenant's obligation to

subordinate this Lease is conditioned upon Tenant receiving a written agreement in the form of Exhibit D attached hereto and incorporated by this reference, and provided further that no such subordination shall affect any option to extend the Term of this Lease, right of first offer to lease additional premises, option to purchase or right of first offer to purchase the Property which may be included in this Lease.

(b) Existing Deeds of Trust. The beneficiary under any existing deed of trust affecting the Building shall provide a written agreement to Tenant in the form of Exhibit E attached hereto and incorporated by this reference within 30 days after the execution of this Lease.

(c) Request for Notice. Landlord acknowledges that Tenant intends to record a Request for Notice regarding any mortgages or deeds of trust affecting the Property in the form of Exhibit F attached hereto and incorporated by this reference.

(d) Notice of Default. If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail requesting any such notice regarding this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any notice of default served upon Landlord which could permit Tenant to terminate this Lease and an additional ten (10) days within which to cure such default.

26. SURRENDER OF POSSESSION. Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a "broom-clean" condition. Tenant may (but shall not be required to) remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).

27. SIGNAGE. Tenant shall be permitted to install at the Premises reasonably appropriate signs that conform with all applicable laws and ordinances.

28. QUIET ENJOYMENT. So long as Tenant is not in default, Tenant shall have the right to the quiet and peaceful enjoyment and possession of the Premises and the Common Areas during the Term of this Lease, subject to the terms and conditions of this Lease.

29. GENERAL

(a) Headings. Titles to Sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

(b) Successors and Assigns. All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon the Landlord and Tenant and their respective successors and assigns.

(c) Brokers. Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to

any commission or fees in respect of the negotiation, execution or delivery of this Lease other than as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation.

(d) Entire Agreement. This Lease (and the attached Exhibits) is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in a writing signed by both Landlord and Tenant. The Lease between the parties dated September 4, 2001 and referred to as County Lease No. 73643 is superseded and replaced by this Lease.

(e) Severability. Any provision of this Lease which proves to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

(f) Notices. All notices and communications to any party hereunder shall be in writing and shall be deemed properly given if delivered personally, sent by registered or certified mail, postage prepaid, or by a recognized overnight commercial messenger providing proof of delivery, facsimile (electronically confirmed) to Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1. Any notice so given shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given.

(g) Governing Law and Forum. This Lease shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Lease shall be conducted in the County of Los Angeles, State of California.

(h) Waivers. No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Landlord or Tenant of the same or any other provision. Landlord's or Tenant's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to or approval of any subsequent act by Landlord or Tenant.

(i) Time of Essence. Time is of the essence for the performance of all of the obligations specified hereunder.

(j) Consent. Whenever any consent is required by Landlord or Tenant under this Lease, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise specifically provided herein, shall be deemed granted if not refused within ten (10) days after written request is made therefore, together with all necessary information.

(k) Community Business Enterprises. Landlord shall complete and deliver to Tenant concurrently with the execution a Community Business Enterprises form set forth as Exhibit H attached hereto and incorporated by this reference.

30. AUTHORITY. Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant, and that this Lease is binding upon Tenant in accordance with its terms. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent, or independent contractor has any authority to alter, add or delete the material terms of this Lease and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by County. County shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Officer may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Base Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an Early Termination Notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

31. ACKNOWLEDGMENT BY LANDLORD. Landlord acknowledges that it knows of the following provisions:

(a) Consideration of GAIN Program Participants. Should Landlord require additional or replacement personnel after the effective date of this Lease, Landlord shall give consideration for any such employment, openings to participants in the County Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program who meet Landlord's minimum qualifications for the open position. The County will refer GAIN participants by job category to Landlord.

(b) Solicitation of Consideration. It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord with the

implication, suggestion or statement that the landlord's provision of the consideration may secure more favorable treatment for the landlord in the award of the Lease or that landlord's failure to provide such consideration may negatively affect the County's consideration of the landlord's offer to lease. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee, or agent for the purpose of securing favorable treatment with respect to the award of the Lease. Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may cause the landlord's submission being eliminated from consideration.

(c) Landlord Assignment.

(i) Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations under this Lease), and Landlord may execute all instruments providing for the payment of Base Rent directly to an assignee or transferee, but only if the conditions in this Section are met.

(ii) Any document or agreement purporting to assign, transfer, mortgage, hypothecate, or encumber Landlord's right, title and interest in this Lease or any portion thereof, is a "Security Agreement." Any Security Agreement executed without full compliance with the requirements of Section 31(c)(iii) shall be void.

(iii) Each assignee or transferee under any Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of the California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the County. Notwithstanding the foregoing, the County agrees that Landlord may encumber the Property with CMBS (collateralized mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Property through any bond financing vehicle, including but not limited to certificate of participation financing.

(iv) Violation by Landlord of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the County may impose damages in an amount equal to the greater of (a) \$500,000 or (b) 10% of the aggregate principal portion of all rental payments payable by the County during the entire Term of this Lease, it being agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the County may

exercise or pursue any other right or remedy it may have under this Lease or applicable law.

(v) Landlord shall give the County notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of Base Rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.

(vi) Landlord shall furnish no information concerning County or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity, except with County's prior written consent. Landlord shall indemnify, defend, and hold County and its officers, agents and employees harmless against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.

(vii) This Section shall bind and apply to the parties to this Lease and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord shall bind and apply to Landlord's successors and assigns whether so expressed or not.

32. IRREVOCABLE OFFER. In consideration for the time and expense that Tenant will invest, including, but not limited to, preliminary space planning, and legal review, in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF this Lease has been executed the day and year first above set forth.

LANDLORD:

I hereby certify that pursuant to  
Section 25103 of the Government Code,  
delivery of this document has been made.

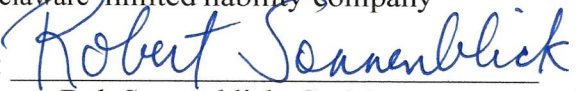
PATRICK OGAWA  
Acting Executive Officer  
Clerk of the Board of Supervisors

By:   
Deputy




TENANT:

SONNENBLICK DEL RIO NORWALK, LLC  
a Delaware limited liability company


By:   
Bob Sonnenblick, Co-Manager

By:   
Nelson Del Rio, Co-Manager

NORWALK SEC, LLC  
a Delaware limited liability company

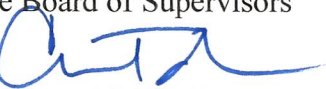
By:   
Name: Rene Ristau  
Its: Vice President

COUNTY OF LOS ANGELES  
a body politic and corporate

By:   
Michael D. Antonovich  
Mayor, Board of Supervisors

ATTEST:

Patrick Ogawa  
Acting Executive Officer-Clerk  
of the Board of Supervisors

By:   
Deputy

APPROVED AS TO FORM:

MARK J. SALADINO  
County Counsel

By:   
Deputy

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

18 APR 14 2015

  
PATRICK OGAWA  
ACTING EXECUTIVE OFFICER

**COUNTY OF LOS ANGELES**  
**CHIEF EXECUTIVE OFFICE**  
**LEASE AGREEMENT**

**DEPARTMENT: Public Health, as Tenant**

**LANDLORD: Sonnenblick-Del Rio Norwalk, LLC, a Delaware Limited Liability  
Company**

**[ 12440 East Imperial Highway, Suite 519, Norwalk, CA 90650 ]**

78361

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COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE  
LEASE AGREEMENT

THIS LEASE is entered into as of the 14th day of April, 2015, between SONNENBLICK-DEL RIO NORWALK, LLC, a Delaware limited liability company, and NORWALK SEC, LLC, a Delaware limited liability company, on the one hand, (collectively "Landlord"), and COUNTY OF LOS ANGELES, a body politic and corporate ("Tenant" or "County").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION The following terms shall have the meanings provided in this Section 1, unless otherwise specifically modified by provisions of this Lease.

1.1 Defined Terms Relating to the Lease:

(a) Landlord's Address for Notice: Sonnenblick Del Rio Norwalk, LLC  
Norwalk Government Center  
12440 East Imperial Highway, Suite 101  
Norwalk, CA 90650  
Attention: Melissa Garcia, Property Manager

With a copy to:

Norwalk SEC, LLC  
350 North LaSalle Street, Suite 800  
Chicago, Illinois 60654  
Attention: Rene Ristau

(b) Tenant's Address for Notice: Board of Supervisors  
Kenneth Hahn Hall of Administration,  
Room 383  
500 West Temple Street  
Los Angeles, California 90012

With a copy to:

Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate

78361

- (c) Premises: Approximately 17,847 rentable square feet in the Building (defined below) as shown on Exhibit A attached hereto and further delineated as follows: "Space A" is commonly referred to as Suite 519 comprising 10,847 rentable square feet and "Space B" is commonly referred to as Suite 531 comprising 7,000 rentable square feet (collectively the "Premises").
- (d) Building: The building located at 12440 East Imperial Highway, Norwalk, CA 90650, which is currently assessed by the County Assessor as APN 8047-006-004(the "Property").
- (e) Term: Five (5) years commencing on May 1, 2015 (the "Commencement Date") and terminating at midnight on April 30, 2020 (the "Termination Date"), subject to earlier termination as provided herein. The word "Term" and the phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease.
- (f) Irrevocable Offer Expiration Date: April 30, 2015
- (g) Base Rent: \$31,232.25 per month (which is based upon a rental rate of \$1.75 per rentable square foot (adjustable only as provided in Sections 2(b) and 5 hereof.)
- (h) Early Termination Date: (1) For Space A, upon the fourth (4<sup>th</sup>) anniversary of the Commencement Date or any time thereafter.  
(2) For Space B, upon the first (1<sup>st</sup>) anniversary of the Commencement Date or any time thereafter.
- (i) Rentable Square Feet in the Premises: 17,847
- (j) Use: General office use or for any other lawful purposes not incompatible with other uses in the Building.

- (k) Initial Departmental Use: Public Health
- (l) Parking Spaces: 71
- (m) Normal Working Hours: 7:00 a.m. to 7:00 p.m., Monday through Friday, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed) and such other holidays as are generally recognized by the County of Los Angeles, California.

- 1.2 Exhibits to Lease:
- Exhibit A–Floor Plan
  - Exhibit B–Cleaning Schedule
  - Exhibit C–Tenant Estoppel Certificate
  - Exhibit D–Subordination, Non-disturbance and Attornment Agreement
  - Exhibit E–Nondisturbance Agreement
  - Exhibit F–Request for Notice
  - Exhibit G–Community Business Enterprises Form

2. PREMISES. Landlord leases to Tenant, and Tenant leases from Landlord, upon the terms and conditions set forth, the Premises described in Section 1 and Exhibit A attached hereto.

3. COMMON AREAS. Tenant may use the following areas ("Common Areas") in common with Landlord and other tenants of the Building: the entrances, lobbies and other public areas of the Building, walkways, landscaped areas, driveways necessary for access to the Premises, parking areas and other common facilities designated by Landlord from time to time for common use of all tenants of the Building. Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Areas established by Landlord.

4. COMMENCEMENT AND EXPIRATION DATES.

(a) Term. The term of this Lease shall commence upon the Commencement Date and terminate on the Termination Date in Section 1.1(e).

(b) Early Termination. Tenant may terminate this Lease after the Early Termination Notice Date, as defined in Section 1, by giving Landlord not less than ninety (90) days prior written notice executed by the Chief Executive Officer of Tenant or its delegee ("Chief Executive Officer").

5. RENT.

(a) Base Rent. Tenant shall pay Landlord the Base Rent stated in Section 1.1(h) during the Term hereof within 15 days after a claim therefor for each such month has been filed by Landlord with the Auditor of the County of Los Angeles (the "County") prior to the first day of each month. Base Rent for any partial month shall be prorated in proportion to the number of days in such month.

(b) Annual Rent Adjustment. On the first day of May of each calendar year during the Term (the "Adjustment Date"), Base Rent shall be adjusted by applying the CPI Formula set forth below.

(c) CPI Formula. The "Basic Index" means the Consumer Price Index for all Urban Consumers for the Los Angeles-Riverside-Orange County area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100) published for April 2015. The "CPI Formula" means Base Rent for the month prior to the Adjustment Date multiplied by a fraction, the numerator being the Basic Index published for the month immediately prior to the Adjustment Date ("New Index"), and the denominator being the Basic Index published for April 2015. If the Basic Index is changed so the Basic Index differs from that used as of the Commencement Date of the Lease, the Basic Index shall be converted under the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Basic Index is discontinued or revised during the Term, such other governmental Index or computation with which it is replaced shall be used to obtain substantially the same results as would be obtained if the Basic Index had not been discontinued or revised. Illustration of Formula. The formula for determining the new rent shall be:

New Index

[Basic Index} x \$31,232.25 (Base Rent)

± Amount needed to amortize Tenant's Additional Tenant Improvements,  
if any

± Amount needed to amortize change order costs, if any

= Adjusted Monthly Base Rent

(d) Limitations on CPI Adjustment. The annual Base Rent adjustment determined under Section 5(c) above shall not exceed three percent (3%) per year of the Base Rent of \$31,232.25 (i.e. not greater than 936.97 per month, per annual adjustment). The monthly rent shall not be adjusted by the CPI Formula to result in a lower monthly Base Rent than was payable during the previous year of the Lease.

6. USES. The Premises are to be used only for the uses set forth in Section 1 and for no other business or purpose; however, Landlord shall not unreasonably withhold its consent to a change of use.

7. HOLDOVER. If Tenant remains in possession of the Premises or any part thereof after the expiration of the Term of this Lease, such occupancy shall be a month-to-month tenancy at the last monthly Base Rent payable under this Lease (as such Base Rent may be adjusted from time to time in accordance with this Lease) plus all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease. Such month-to-month tenancy shall be terminable upon thirty (30) days written notice from Landlord or from the Chief Executive Officer of Tenant.

8. COMPLIANCE WITH LAW. Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the term hereof, regulating the use, occupancy or improvement of the Premises by Tenant. Landlord, not Tenant, shall, at its sole cost, at all times cause the Building and Premises to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the term hereof, including without limitation, Titles II and III of the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises, in which event Tenant shall comply at its sole cost and expense.

9. DAMAGE OR DESTRUCTION.

(a) Damage. If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days, then Landlord shall promptly, at Landlord's expense, repair such damage and this Lease shall continue in full force and effect. If all or any portion of the Premises becomes untenable by reasons of fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the improvements. Landlord shall promptly, but within ten days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the estimated time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again using standard working methods. Failing to do so shall be a material default by Landlord. Base Rent shall abate to the extent that the Premises are unusable by Tenant. Tenant waives California Civil Code Sections 1932(2) and 1933(4) regarding any partial or total destruction of the Premises.

(b) Tenant Termination Right. If any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than 180 days for any reason, then Tenant may terminate this Lease by giving written notice within ten days after notice from Landlord specifying such time period of repair; and this Lease shall terminate and the Base Rent shall be abated from the date the Premises became untenable. If Tenant does not elect to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises.

(c) Damage In Last Year. Notwithstanding the foregoing provisions, if any material destruction to the Premises occurs during the last year of the Term, either Landlord or Tenant may terminate this Lease by giving written notice to the other not more than 30 days after such destruction, in which case (a) Landlord shall have no obligation to restore the Premises, (b) Landlord may retain all insurance proceeds relating to such destruction, and (c) this Lease shall terminate as of the date 30 days after such written notice of termination.

(d) Default By Landlord. If Landlord must repair and restore the Premises as provided for in this Section and Landlord should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion, Tenant may (a) declare a default, or (b) perform or cause to be performed the restoration work and deduct the cost thereof plus interest thereon at ten percent (10%) per annum, from the Base Rent next due as a charge against the Landlord.

## 10. REPAIRS AND MAINTENANCE

(a) Landlord Representations. Landlord represents to Tenant that, to the best of Landlord's knowledge and belief, (i) the Premises, the Building and all Common Areas, (including electrical, ventilating and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) comply with all current laws, codes, and ordinances, as applicable, including the Americans With Disabilities Act; and are in reasonable good working order and condition; (ii) the Building and Premises comply with all covenants, conditions, restrictions and insurance underwriter's requirements; (iii) the Premises, Building and Common Areas are free of the presence of any Hazardous Materials (as defined herein); and (iv) Landlord has received no notice from any governmental agency that the Building or the Premises violate any law or regulation. Landlord represents, that, to the best of Landlord's knowledge, the Premises and the Building contain no asbestos containing materials. Landlord shall, prior to Tenant's occupancy, abate, at Landlord's sole cost and expense, all asbestos containing materials other than those incurred by Tenant in the Premises to the extent required by law and provide Tenant with an updated report from a licensed California asbestos contractor to that effect.

(b) Landlord Obligations. Landlord shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed: (i) the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing, stairways, concealed electrical systems and telephone intrabuilding network cable (ii) building standard mechanical (including HVAC), electrical, plumbing and fire/life safety systems serving the Building (iii) the Common Areas; (iv) exterior windows of the Building; and (v) elevators serving the Building. Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Building systems contained within the Premises and, specifically, shall keep the (1) floor covering; (2) interior partition walls; (3) doors; (4) interior side of demising walls; and (5) exit and other building general signage within the Premises in good condition and repair,

reasonable wear and tear and damage caused by tenant, its customers, agents, servants or employees excepted.

(c) Tenant Obligations. Without limiting Landlord's Obligations, Tenant shall, at Tenant's sole expense, be responsible for the cost of repairing any area damaged by Tenant or Tenant's agents, employees, invitees and visitors and the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall: (a) be made and performed by contractors or mechanics approved by Tenant, which consent shall not be unreasonably withheld or delayed; (b) be at least equal in quality, value and utility to the original work or installation; and (c) be in accordance with all laws.

(d) Tenant's Right to Repair. If Tenant provides written notice (or oral notice if an emergency occurs such as damage or destruction to or of any portion of the Building structure and/or the Building systems and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord regarding repair and/or maintenance, and Landlord fails to provide such action within a reasonable period of time, given the circumstances, after giving such notice, but not later than five days after giving such notice, then Tenant may take the required action (provided, however, that no such notice shall be required if an emergency occurs which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to perform the work contemplated by this provision. If Landlord was required to take such action under the terms of this Lease and Landlord took no such action within such period (unless such notice was not required), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum commencing ten (10) days from the time such reimbursement is requested. If not reimbursed by Landlord within ten (10) days, Tenant may deduct from Base Rent payable by Tenant under this Lease the amount in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 14.

11. SERVICES AND UTILITIES. Landlord shall provide the following services and utilities to the Premises, at its sole cost and expense, unless prevented from doing so by act of God or third parties:

(a) Heating, Ventilation and Air Conditioning. Landlord shall furnish Building ventilation and air conditioning ("HVAC"), during Normal Working Hours in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other first-class buildings. Tenant acknowledges that heat is not provided in the Building. Tenant may, through an authorized agent, request after hours HVAC services provided Tenant reimburses Landlord for the cost of additional HVAC services at the rate of \$85 per hour.

(b) Utilities. Landlord shall furnish metered electricity to the Premises, subject to reimbursement by Tenant monthly and within ten days of being

billed for such usage as metered. The amount of electric current provided shall include that amount required for current electricity needs within the Premises as well as any additional electricity required by the Working Drawing for power, lighting and electric current for HVAC. Landlord agrees to pay when due all charges of the sewer, effluent treatment, water, sprinkler, gas and other lighting, and power and other utility rents and charges accruing or payable in connection to the Premises during the term of the Lease or any renewal extension, or holdover thereof, whether the same are pro-rated or measured by separate meters, and reimbursed by Tenant monthly and within ten days of being billed for such usage.

(c) Elevators. Landlord shall furnish freight and passenger elevator services to the Premises during Normal Working Hours. During all other hours, Landlord shall furnish passenger elevator cab service in the elevator bank serving the Premises on an as needed basis, and, by prior arrangement with Landlord's building manager, freight elevator service.

(d) Water. Landlord shall make available water for normal lavatory and potable water meeting all applicable governmental standards for drinking purposes in the Premises.

(e) Janitorial. Landlord shall provide janitorial service on five nights per week generally consistent with that furnished in comparable office buildings in the County of Los Angeles, but not less than the services set forth in the specifications set forth in Exhibit B attached hereto.

(f) Access. Landlord shall furnish to Tenant's employees and agents access to the Building, Premises, and Common Areas on a seven day per week, 24 hour per day basis, subject to (i) compliance with such reasonable security measures as shall from time to time be in effect for the Building; and (ii) to the extent the County Chief Executive Officer or its designee requests after-hours access cards for Tenant's employees and agents in a number approved by the County Chief Executive Officer at the rate of Ten Dollars (\$10.00) per access card.

12. LANDLORD ACCESS. Tenant shall permit Landlord and its agents to enter the Premises upon prior written notice to inspect the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Building or Premises, Base Rent shall be prorated based upon the percentage of the Premises or Building rendered untenable and not used by Tenant. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency.

### 13. TENANT DEFAULT

(a) Default. The occurrence of any one or more of the following events (a "Tenant Default") shall constitute a material default and breach of this Lease by Tenant:

(i) The failure by Tenant to make any payment of Base Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset

is expressly permitted hereunder), as and when due and if the failure continues for a period of ten days after written notice to Tenant;

(ii) The failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of 30 days after written notice from Landlord specifying in detail the nature of the Tenant Default; provided, however, if more than 30 days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said 30-day period and thereafter diligently prosecutes such cure to completion.

(b) Termination. Tenant agrees that if a Tenant Default should occur and should not be cured within the time periods set forth above, it shall be lawful for Landlord to terminate this Lease upon the giving of written notice to Tenant. In addition thereto, Landlord shall have such other rights or remedies as may be provided by law.

(c) No Effect on Indemnity. Nothing in this Section 13 shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

#### 14. LANDLORD DEFAULT

(a) Default and Remedies. In addition to the provisions for Landlord's default provided by Sections 9(d), 10(b), 19 and 20(b), Landlord shall be in default ("Landlord Default") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within five (5) days after the giving of written notice with respect thereto by Tenant in the event of a monetary default, or within thirty (30) days in the event of a non-monetary default (which notice shall be, if appropriate, the same notice given under Section 10(d)); provided, however, that if the nature of the Landlord Default is such that the same cannot reasonably be cured within such notice period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure periods, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein: (i) to remedy such default or breach and deduct the costs thereof (including but not limited to attorneys' fees) plus interest at the rate of ten percent (10%) per annum from the installments of Base Rent next falling due; (ii) to pursue the remedy of specific performance; (iii) to seek money damages for loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Base Rent next coming due; and/or (iv) to terminate this Lease.

(b) Waiver. Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction, or maintenance required to restore any

affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

(c) Emergency. Notwithstanding the foregoing cure period, Tenant may cure any default without notice where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition or materially and adversely affect the operation of Tenant's business in the Premises.

15. ASSIGNMENT AND SUBLETTING. Tenant has the right to assign this Lease or sublease the Premises to another government agency, contractor or sub-contractor of the Tenant or any other government agency without Landlord's prior written consent so long as the intended use is consistent and compatible with the other tenancies within the Building and upon the condition that the assignee or sublessee expressly assumes and agrees in writing to pay the rent and to perform each and every covenant and agreement in this Lease required by Tenant to be paid or to be performed. Tenant shall notify Landlord of any change in tenancy. Additionally, Tenant shall have the right to assign the Lease or sublease the Premises to a private party provided Landlord's written consent to such assignment or sublease is first obtained. Landlord's consent shall not be unreasonably withheld. If Landlord does not respond to Tenant's request for assignment or subletting within thirty (30) days from the date of the request, the request shall be deemed approved.

16. ALTERATIONS AND ADDITIONS

(a) Landlord Consent. Tenant shall make no structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. However, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria: (1) complies with all Laws; (2) is not visible from the exterior of the Premises or Building; (3) will not materially affect the systems or structure of the Building; and (4) does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building. If Landlord fails to respond in writing within 30 days of such request, Landlord shall be deemed to approve the Alterations.

(b) End of Term. Any Alterations, fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture) shall be removed by Tenant at the end of the Term. Any Alterations, fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture) not removed by Tenant at the end of the Term shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Term.

17. CONDEMNATION

(a) Controlling Terms. If during the Term, or during the time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section shall determine the rights and obligations of Tenant and Landlord.

"Condemnation" shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a Condemnor (as defined below) or a voluntary sale or transfer by Landlord to any Condemnor, either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for exercising such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

(b) Total Taking. If the entire Premises are taken by Condemnation, this Lease shall terminate on the date the Condemnor has a right to possession of the Premises (the "Date of Taking").

(c) Partial Taking. If any portion, but not all, of the Premises is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving written notice to Landlord within thirty (30) days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"), which notice shall set forth the date of termination. Such termination date shall not be earlier than thirty (30) days nor later than ninety (90) days after Tenant has notified Landlord of its election to terminate; except this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within 30 days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated.

(d) Restoration. Notwithstanding Section 17(c), if, within thirty (30) days after the Determination Date, Landlord notifies Tenant that Landlord at its cost will add to the remaining Premises so the area of the Premises and the space available for parking, will be substantially the same after the Date of Taking as they were before the Date of Taking, and Landlord commences the restoration promptly and, subject to reasonable allowance for delays not caused by Landlord, completes it within 90 days after Landlord so notifies Tenant, this Lease shall continue in effect. All obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated or reduced during the period from the Date of Taking until completing such restoration.

(e) Award. All compensation, sums or anything of value awarded, paid, or received by Landlord or Tenant on a total or partial Condemnation of the Premises shall be divided between Landlord and Tenant as their respective interests may appear.

(f) Waiver of Statute. Landlord and Tenant waive the provision of California Code of Civil Procedure Section 1265.130 allowing Landlord or Tenant to petition the superior court to terminate this Lease in the event of a partial taking of the Premises.

## 18. INDEMNIFICATION

(a) Tenant's Indemnity. Tenant shall indemnify, defend and hold Landlord harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises because of any negligent act, omission or willful misconduct of Tenant or its contractors, licensees, agents, employees, guests, or visitors, or arising from any breach or default under this Lease by Tenant. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability, or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees or invitees. Nothing in this Lease shall waive, limit, or supersede any of Tenant's rights or immunities under the California Labor Code, including but not limited to a waiver pursuant to Labor Code section 3864.

(b) Landlord's Indemnity. Landlord shall indemnify, defend and hold Tenant harmless from and against all loss, cost and expense, including attorneys' fees, arising from any injury or damage to any person or property, in or about the Building or Premises because of any negligent act, omission or willful misconduct of Landlord, or its officers, contractors, licensees, agents, employees, guests, or visitors, or arising from any breach or default under this Lease by Landlord. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability, or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Tenant, or its contractors, licensees, agents, employees or invitees.

## 19. INSURANCE

(a) Landlord's Insurance. During the term of this Lease, Landlord shall maintain the following insurance:

(i) Commercial property insurance which shall (1) cover damage to Landlord's property, including improvements and betterments, from perils covered by the causes-of-loss special form (ISO form CP 1030 or equivalent), and include ordinance or law coverage (and coverage against acts of terrorism to the extent such coverage is reasonably available and priced at commercially reasonable rates); and (2) be written for full replacement cost of the property, with a deductible of no greater than 5% of the property value. Insurance proceeds shall be payable to Landlord and be utilized for repair and restoration of the Premises or Landlord's property, as determined by the nature of the loss. Failure by Landlord to use any insurance proceeds to timely repair and restore the Building or the Premises, as applicable, shall constitute a material breach of this Lease.

(ii) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than : (1) per occurrence and general aggregate amount of \$5,000,000; (2) products/completed operations aggregate of \$2,000,000; and (3) personal and advertising injury of \$1,000,000, which limits may be attained through umbrella coverage. Tenant shall be named as an additional insured under such policy

(b) Tenant's Insurance. During the term of this Lease, Tenant shall maintain the following insurance:

(i) General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than:

(1) Per occurrence and general aggregate amount of \$5,000,000;

(2) Products/completed operations aggregate of \$2,000,000 and

(3) Personal and advertising injury of \$1,000,000.

(ii) Worker's Compensation Insurance in such amount as required by the Labor Code of the State of California, and including Employers' Liability coverage with limits not less than \$1 million for Each Accident or Each Employee Disease.

(iii) Automobile Liability insurance with a limit of liability not less than \$1 million for each accident and including coverage for all "owned", "hired" and "non-owned" vehicles.

(c) Failure by Landlord or Tenant to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease shall constitute a material breach of this Lease. Tenant, at its sole option, may satisfy all or any part of this insurance requirement through use of a program of self-insurance (self-funding of its liabilities). Certificate evidencing coverage or letter evidencing self-funding will be provided to Landlord within five (5) days of the execution of this Lease.

(d) Insurance Requirements. All insurance policies required to be maintained by Landlord or Tenant under this Lease shall be issued by insurance companies which have a Best's Rating of "AVII" or better and which are qualified to do business in the State of California. All policies of Landlord specified in 19(a) above shall be written as primary policies, not contributing with, and not in excess of, coverage which Tenant may carry.

(e) Certificates.

(i) Landlord shall deliver to Tenant on the Commencement Date of this Lease and thereafter at least fifteen (15) days prior to expiration of any

insurance required to be carried hereunder, certificates of insurance evidencing the insurance required by Section 19(a) above with limits not less than those specified above. Certificates shall include the address of the Premises and must document that Landlord has named Tenant as an additional insured (or its equivalent) on its general liability insurance policy. Further, all certificates shall expressly provide that no less than thirty (30) days' prior written notice shall be given to Tenant in the event of material change to, expiration or cancellation of the coverages or policies evidenced by the certificates.

(ii) Unless Tenant elects to self-insure under Section 19(c) above, Tenant shall deliver to Landlord on the Commencement Date of this Lease and thereafter at least fifteen (15) days prior to expiration of any insurance required to be carried hereunder, certificates of insurance evidencing the insurance required by Section 19(b) above with limits not less than those specified above. Certificates shall include the address of the Premises and must document that Tenant has named Landlord as an additional insured (or its equivalent) on its general liability insurance policy, and that Landlord has been named a loss payee on Tenant's commercial property insurance policy, as required. Further, all certificates shall expressly provide that no less than thirty (30) days' prior written notice shall be given to Landlord in the event of material change to, expiration or cancellation of the coverages or policies evidenced by the certificates.

(f) Waiver of Subrogation. Landlord and Tenant each hereby waive their rights of subrogation against one another to the extent a claim is covered by the property insurance policies required to be carried hereunder. Landlord shall cause its insurance carriers to consent to the foregoing waiver of rights of subrogation against Tenant.

## 20. PARKING

(a) Tenant's Rights. Tenant shall have the right to the number of parking stalls in Section 1.1(m) without charge for the Term of this Lease. No tandem parking shall be permitted and Tenant shall have full in/out privileges. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building.

(b) Remedies. Landlord acknowledges that it is a material term of this Lease that Tenant receives all of the Parking Spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever, more than twenty-five percent (25%) of the Parking Spaces required above are not available to Tenant (the "Unavailable Spaces"), (besides the rights given to Tenant under Sections 9, 14 and 17 if casualty or condemnation occurs), Tenant may (a) terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective thirty (30) days thereafter unless Landlord restores such Parking Spaces, or provides alternative parking, within ten (10) days of

such notice, in which case such notice will be null and void, or (b) deduct from the Base Rent thereafter accruing an amount each month equal to \$2.33 per parking space per day for each day the Unavailable Parking Spaces remain unavailable.

## 21. ENVIRONMENTAL MATTERS

(a) Hazardous Materials. Tenant shall not cause nor permit, nor allow any of Tenant's employees, agents, customers, visitors, invitees, licensees, contractors, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of under all Environmental Laws. As used, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living organism or combination thereof, whether solid, semi-solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or may become listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. "Environmental Laws" means all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

(b) Landlord Indemnity. Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas or other violation of laws relating to Hazardous Materials other than caused by Tenant. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans required by local or state laws or any governmental agency. Landlord shall promptly deliver to Tenant a copy of any notice received from any governmental agency during the Term concerning Hazardous Materials in the Building or the Premises. Landlord's obligations under the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease.

22. ESTOPPEL CERTIFICATES. Tenant shall, within thirty (30) days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Exhibit C attached hereto and incorporated herein by this reference but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest or holder of any mortgage upon Landlord's interest in the Premises.

23. TENANT IMPROVEMENTS.

(a) Base Tenant Improvement Allowance. Landlord shall provide a Base Tenant Improvement Allowance in the maximum sum of Fifty-Four Thousand Two Hundred Thirty-Five Dollars (\$54,235.00) for the painting and the installation of flooring materials within the Premises. The installation of paint and flooring materials in the Premises shall be under Tenant's specifications including the lifting and moving of furniture. A portion of the Base Tenant Improvement Allowance shall be used to pay Landlord a construction management fee equal to three percent (3%) of the tenant improvement costs. Tenant shall be responsible for the cost of painting and the installation of flooring materials within the Premises and any other improvements constructed by or on behalf of Tenant (collectively "Tenant Improvements") in excess of the Base Tenant Improvement Allowance.

(b) Compliance with Laws. Construction of the Tenant Improvements shall comply with all applicable laws and regulations and shall be subject to the general inspection of Tenant. The Premises shall comply with all applicable city, county, state and federal building codes, regulations and ordinances required for beneficial occupancy, including, but not limited to, all provisions of the Labor Code of the State of California. Under the provisions of the Labor Code, the State Department of Industrial Relations will ascertain the prevailing hourly rate in dollars and details pertinent thereto for each craft, classification, or type of workman or mechanic needed for the construction of the Tenant Improvements. Particulars of the current Prevailing Wage Scale, as approved by the Board of Supervisors which are applicable to the Tenant Improvements, are filed with the Clerk of the Board of Supervisors and must be posted at the site.

(c) Construction Management Fee. Landlord's construction manager shall receive three percent (3%) of the cost of installation of any tenant improvements supervised by such construction manager including, but not limited to, the Tenant Improvements and any other tenant improvements constructed by or on behalf of Tenant as a construction management fee.

(d) Completion of Tenant Improvements. The parties mutually agree that the estimated time for completion of the painting and the installation of flooring materials is 180 days from the date this Lease is duly executed. The actual time for completion of the Tenant Improvements shall be determined when a contract for construction of the Tenant Improvements is awarded pursuant to Section 23(a) above.

(e) Permitted Delay in Completion of Painting and Installation of Flooring Materials. Completion of the painting and installation of flooring materials may be delayed by the following. All delay days incurred as a result of such delays shall be added to Landlord's time for completion under Section 23(d) above:

(i) Acts or omissions of Tenant or of any employees or agents of Tenant (including change orders in the work), or

(ii) Any act of God which Landlord could not have reasonably foreseen and provided for, or

(iii) Any strikes, boycotts or like obstructive acts by employees or labor organizations which Landlord cannot overcome with reasonable effort and could not reasonably have foreseen and provided for, or

(iv) Any war or declaration of a state of national emergency, or

(v) The imposition by government action or authority of restrictions upon the procurement of labor or materials necessary for the completion of the building Premises.

(f) Unpermitted Delays in Completion. If Landlord fails to complete the painting and the installation of flooring materials within sixty (60) days from the time of completion set forth in Section 23(d) as extended by Section 23(e), if applicable, Tenant may, at its option, upon thirty (30) days written notice to Landlord, assume the responsibility for providing the painting and the installation of flooring materials itself. If Tenant elects to provide painting and installation of flooring materials itself, then:

(i) Tenant, its officers, employees, agents, contractors and assignees, shall have access to the Premises at all reasonable times to make the tenant improvements and for any other purposes reasonably related thereto;

(ii) If the unused balance of the Base Tenant Improvement Allowance exceeds Tenant's total expense in completing the painting and the installation of flooring materials, including any financing charges for capital and a reasonable amount for its administrative costs, and including interest at 9% per annum (collectively "Tenant's TI Expense"), Landlord shall tender Tenant's TI Expense to Tenant within thirty (30) days of Landlord's approval of Tenant's TI Expense.

(iii) If the unused balance of the Base Tenant Improvement Allowance is less than Tenant's TI Expense, Landlord shall deliver the unused balance of the Base Tenant Improvement Allowance to Tenant.

24. LIENS. Tenant shall keep its interest in this Lease and the Premises free from any liens arising out of any work performed or materials ordered or obligations incurred by Tenant, and hereby indemnifies and holds Landlord harmless from any liability or loss from any such lien. Landlord shall keep its interest in this Lease and the Premises free from any liens which would impair the interest of Tenant hereunder and

hereby indemnifies and holds Tenant harmless from any liability or loss from any such lien.

25. SUBORDINATION AND MORTGAGES

(a) Subordination and Non-Disturbance. Tenant agrees, at Landlord's option, to subordinate this Lease to the lien of any mortgages or deeds of trust now or hereafter in force against the Building; provided, however, Tenant's obligation to subordinate this Lease is conditioned upon Tenant receiving a written agreement in the form of Exhibit D attached hereto and incorporated by this reference, and provided further that no such subordination shall affect any option to extend the Term of this Lease, right of first offer to lease additional premises, option to purchase or right of first offer to purchase the Property which may be included in this Lease.

(b) Existing Deeds of Trust. The beneficiary under any existing deed of trust affecting the Building shall provide a written agreement to Tenant in the form of Exhibit E attached hereto and incorporated by this reference within 30 days after the execution of this Lease.

(c) Request for Notice. Landlord acknowledges that Tenant intends to record a Request for Notice regarding any mortgages or deeds of trust affecting the Property in the form of Exhibit F attached hereto and incorporated by this reference.

(d) Notice of Default. If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail requesting any such notice regarding this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any notice of default served upon Landlord which could permit Tenant to terminate this Lease and an additional ten (10) days within which to cure such default.

26. SURRENDER OF POSSESSION. Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a "broom-clean" condition. Tenant may (but shall not be required to) remove, at its own expense, all fixtures, equipment and all other personal property placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).

27. SIGNAGE. Tenant shall be permitted to install at the Premises reasonably appropriate signs that conform with all applicable laws and ordinances.

28. QUIET ENJOYMENT. So long as Tenant is not in default, Tenant shall have the right to the quiet and peaceful enjoyment and possession of the Premises and the Common Areas during the Term of this Lease, subject to the terms and conditions of this Lease.

29. GENERAL

(a) Headings. Titles to Sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

(b) Successors and Assigns. All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon the Landlord and Tenant and their respective successors and assigns.

(c) Brokers. Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation.

(d) Entire Agreement. This Lease (and the attached Exhibits) is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or added to except in a writing signed by both Landlord and Tenant. The Lease between the parties dated September 4, 2001 and referred to as County Lease No. 73643 is superseded and replaced by this Lease.

(e) Severability. Any provision of this Lease which proves to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

(f) Notices. All notices and communications to any party hereunder shall be in writing and shall be deemed properly given if delivered personally, sent by registered or certified mail, postage prepaid, or by a recognized overnight commercial messenger providing proof of delivery, facsimile (electronically confirmed) to Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1. Any notice so given shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given.

(g) Governing Law and Forum. This Lease shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Lease shall be conducted in the County of Los Angeles, State of California.

(h) Waivers. No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Landlord or Tenant of the same or any other provision. Landlord's or Tenant's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to or approval of any subsequent act by Landlord or Tenant.

(i) Time of Essence. Time is of the essence for the performance of all of the obligations specified hereunder.

(j) Consent. Whenever any consent is required by Landlord or Tenant under this Lease, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise specifically provided herein, shall be deemed granted if not refused within ten (10) days after written request is made therefore, together with all necessary information.

(k) Community Business Enterprises. Landlord shall complete and deliver to Tenant concurrently with the execution a Community Business Enterprises form set forth as Exhibit H attached hereto and incorporated by this reference.

30. AUTHORITY. Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant, and that this Lease is binding upon Tenant in accordance with its terms. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent, or independent contractor has any authority to alter, add or delete the material terms of this Lease and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by County. County shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Officer may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Base Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an Early Termination Notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

31. ACKNOWLEDGMENT BY LANDLORD. Landlord acknowledges that it knows of the following provisions:

(a) Consideration of GAIN Program Participants. Should Landlord require additional or replacement personnel after the effective date of this Lease, Landlord shall give consideration for any such employment, openings to participants in the County Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program who meet Landlord's minimum qualifications for the open position. The County will refer GAIN participants by job category to Landlord.

(b) Solicitation of Consideration. It is improper for any County officer, employee or agent to solicit consideration in any form from a landlord with the implication, suggestion or statement that the landlord's provision of the consideration may secure more favorable treatment for the landlord in the award of the Lease or that landlord's failure to provide such consideration may negatively affect the County's consideration of the landlord's offer to lease. A landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee, or agent for the purpose of securing favorable treatment with respect to the award of the Lease. Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may cause the landlord's submission being eliminated from consideration.

(c) Landlord Assignment.

(i) Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations under this Lease), and Landlord may execute all instruments providing for the payment of Base Rent directly to an assignee or transferee, but only if the conditions in this Section are met.

(ii) Any document or agreement purporting to assign, transfer, mortgage, hypothecate, or encumber Landlord's right, title and interest in this Lease or any portion thereof, is a "Security Agreement." Any Security Agreement executed without full compliance with the requirements of Section 31(c)(iii) shall be void.

(iii) Each assignee or transferee under any Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of the California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the County. Notwithstanding the foregoing, the County agrees that Landlord may encumber the Property with CMBS (collateralized mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Property through any bond financing vehicle, including but not limited to certificate of participation financing.

(iv) Violation by Landlord of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the County may impose damages in an amount equal to the greater of (a) \$500,000 or (b) 10% of the aggregate principal portion of all rental payments payable by the County during the entire Term of this Lease, it being agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the County may exercise or pursue any other right or remedy it may have under this Lease or applicable law.

(v) Landlord shall give the County notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of Base Rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.

(vi) Landlord shall furnish no information concerning County or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity, except with County's prior written consent. Landlord shall indemnify, defend, and hold County and its officers, agents and employees harmless against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.

(vii) This Section shall bind and apply to the parties to this Lease and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord shall bind and apply to Landlord's successors and assigns whether so expressed or not.

32. IRREVOCABLE OFFER. In consideration for the time and expense that Tenant will invest, including, but not limited to, preliminary space planning, and legal review, in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]**

IN WITNESS WHEREOF this Lease has been executed the day and year first above set forth.

LANDLORD:

I hereby certify that pursuant to Section 25103 of the Government Code, delivery of this document has been made.

PATRICK OGAWA  
Acting Executive Officer  
Clerk of the Board of Supervisors

By: [Signature]  
Deputy



TENANT:

SONNENBLICK DEL RIO NORWALK, LLC  
a Delaware limited liability company

By: [Signature]  
Bob Sonnenblick, Co-Manager

By: [Signature]  
Nelson Del Rio, Co-Manager

NORWALK SEC, LLC  
a Delaware limited liability company

By: [Signature]  
Name: Rene Ristau  
Its: Vice President

COUNTY OF LOS ANGELES  
a body politic and corporate

By: [Signature]  
Michael D. Antonovich  
Mayor, Board of Supervisors

ATTEST:

Patrick Ogawa  
Acting Executive Officer-Clerk  
of the Board of Supervisors

By: [Signature]  
Deputy

APPROVED AS TO FORM:

MARK J. SALADINO  
County Counsel

By: [Signature]  
Deputy

**ADOPTED**  
BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

18 APR 14 2015

[Signature]  
PATRICK OGAWA  
ACTING EXECUTIVE OFFICER